OCTOBER 21, 1955 20 CENTS

U.S. News & World Report

The United States News ® World Report

WHAT'S THE STOCK MARKET AFRAID OF?

A LOOK BEHIND THE RUSSIAN SMILES

An Interview with
ROBERT F. KENNEDY
Counsel for Senate Committee

No. 2 in a new series:

With MATS, his supply line can never be more than hours long

No matter where our men may be, Military Air Transport—MATS—insures that supplies can reach them within hours . . . practically *anywhere.*

Essential here is the Douglas C-124, largest operational cargo transport. Able to fly 2000 miles non-stop with a 25-ton payload, the C-124 can handle 96% of all military equipment *without disassembly.* During Korea it not only flew high-priority cargo, but worked as a hospital plane evacuating the wounded.

Looking to tomorrow, Douglas will have even larger and faster cargo transports.

BASIC TO MATS OPERATIONS—THE DOUGLAS C-124

Defense is everybody's business. Development of the C-124 shows how Douglas works with military planners to have aircraft ready when needed. But human skills are also needed to fly and service these planes. If you want a career, the Air Force offers opportunity.

Depend on *DOUGLAS* **First in Aviation**

Yes, new machines put men out of work

—the men stuck with old machines

MODERN machines cut costs so much that business naturally flows to the shop using them. Plants with old, high-cost machines (with the inevitable higher costs for what they make) cannot compete—and jobs must disappear.

One of management's greatest obligations is to provide modern machines with which a workman can keep his job. And then the workman has an equal responsibility to *use* his new machine so efficiently that he and management succeed in that partnership.

Single Spindle Automatic turning out aircraft parts

WARNER & SWASEY
Cleveland
PRECISION MACHINERY SINCE 1880

YOU CAN PRODUCE IT BETTER, FASTER, FOR LESS WITH WARNER & SWASEY MACHINE TOOLS, TEXTILE MACHINERY, CONSTRUCTION MACHINERY

IN THIS ISSUE

★ What Congressmen Found in Russia

Have the Russians convinced visiting U.S. Congressmen that they can be trusted now? Will the lawmakers vote to ease trade restrictions, cut U.S. arms spending, on the basis of what they found in summer trips to the Soviet Union? Here are interviews with 13 returning Congressmen, who tell of their conclusions. See page 100.

★ Why France Walked Out: The Inside Story

What's behind France's walkout on the U.N., and her slap at the Kremlin, is explained in this exclusive *U.S. News & World Report* interview with Foreign Minister Pinay. Page 118.

★ How Ike Plans to Deal with Farm Troubles

For a look at the latest plan for meeting the growing farm problem, as presented by Vice President Nixon, see page 77.

★ The Cover Articles: A Look Behind Russian Smiles, page 62. What's the Stock Market Afraid Of? Page 21.

★ Contents

March of News 4
Tomorrow: A Look Ahead 9
Washington Whispers 12
People of the Week 14
What's the Stock Market Afraid Of? 21
After Ike Bows Out—Battle in His Party 24
Will Eisenhower Choose Surgery? 26
Hogs Can't Vote, but Will Play Role in '56 27
Why Eavesdropping on Juries— 28
Molotov's Boner: New Clue to Red Thinking 37
European Pupils Smarter Than American? 45
Mutinies in the French Army 52
Afghanistan: Drifting Into Red Orbit 55
A Look Behind the Russian Smiles
—Interview With Robert F. Kennedy 62
Worldgram 69
The Men—The News:
Democrats of '56—Who Will It Be? 73
Mr. Nixon: Ike's Answer to Farm Problem 77
Why the Worry About What People Owe 85
News You Can Use 91
Memo From Britain 95
"What We Found Inside Russia"
—Interviews With 13 Congressmen 100
Labor Week: Revolt Against Big Unions 113
Pinay: Moscow Cools "Geneva Spirit"
—Interview With French Foreign Minister 118
We've Been Asked: Widows' Pensions 125
Dulles: Where U. S. Will Stand at Geneva 128
Indicators of Business Activity 133
Trend of Business 149
Finance Week: Another Field for Tax Cuts 152
News-Lines for Businessmen 158
Business Around the World 161
David Lawrence Editorial 164

The Associated Press is exclusively entitled to the use for republication of the local telegraphic and cable news published herein, originated by U. S. News & World Report or obtained from The Associated Press.

HANDY WAY TO SUBSCRIBE

U. S. NEWS & WORLD REPORT
Circulation Department, 437 Parker Ave., Dayton 1, Ohio

Please enter my subscription to U. S. News & World Report for one year and send bill to me. (U. S., its possessions and Canada, $5, other countries, $6.)

Name_____

Address_____

City_____ State_____

NHW 26

THE UNITED STATES NEWS

WORLD REPORT

U. S. WEEKLY
Three Titles Reg. U. S. Pat. Off.

Published weekly at Washington, D. C., Editorial and Executive Offices, the United States News Building, 24th & N Streets, N.W., Washington 7, D. C. Subscription rates, delivered prepaid, to United States, its possessions and Canada, $5 for one year, $8 for two years, $10 for three years. Postage to other countries $1 a year additional. Entered as second-class matter at the post office Washington, D.C., under the act of March 3, 1879.

Entire contents of this publication copyrighted 1955 by United States News Publishing Corporation. Rights reserved under Pan American Copyright Convention and International Copyright Convention.

BOARD OF EDITORS

DAVID LAWRENCE, *Editor*
OWEN L. SCOTT, *Executive Editor*
BEN J. GRANT, L. NOBLE ROBINSON
Assistant Executive Editors
CARSON F. LYMAN
Managing Editor
WALTER HUSTED, *General News Editor*
DEREK FOX, *Art Editor*

ASSOCIATE EDITORS

W. B. RAGSDALE, GEORGE W. BOLTON
RICHARD L. TURNER, GLENN WILLIAMS
M. L. RAMSAY, W. C. BRYANT
JOHN H. ADAMS, GEORGE E. JONES
FRED M. HARMON, JULES B. BILLARD
ARCHIE ROBINSON, ROBERT GINSBURGH
LEONARD WILLIAMS, DONALD P. DOANE
CHARLES M. PLATT, CLARKE BEACH
J. FRANK DIGGS, GRANT SALISBURY
CHARLES E. WHITING
A. S. McLEOD, *Chief Economic Unit*
PHILIP H. BOLLINGER, CHARLES H. DAVEY
JOHN B. BLEDSOE, THOMAS H. F. HUGHES

Regional Editors: New York—GILMORE IDEN, FRED VANDERSCHMIDT; **San Francisco**—EDWIN J. DRECHSEL

NEWS EDITORS

TURNER ROSE, *Chief of News Editors*
WILLIAM H. RIEBOLD, DONALD BECKER
THURBER W. CUSHING, JOHN P. SUTHERLAND
F. W. GAPP, L. DAVID LeROY
N. KEY HART, F. E. GALBRAITH, JR.
FRED A. EMERY, CLAIR JOHNSON
FRED C. PAINTON

Assistant News Editors: Barbara Blair Furlow, Iva Holland, Lucy Cobb Jones, Thomas E. Russell, Donald Smith.

Research: Catherine Adams, Mabel S. Groettum.

WORLD STAFF

HOWARD FLIEGER, *Directing Editor*
JOHN R. FLEMING, *Associate Director*
CHARLES FOLTZ, JR., *European News Editor*
CLARK H. GALLOWAY, *Inter-American News Editor*
PERRY K. SELLON, *Editor, World Business*
CHARLES H. KLINE, *Associate Editor, London*

REGIONAL EDITORS ABROAD

ROBERT KLEIMAN.....Western Europe
KURT LACHMANN.....Central Europe
JOE FROMM.....Southern Europe
JOHN D. LAW.....Southeast Asia
ROBERT P. MARTIN.....Japan and the Far East
ALBERT J. MEYERS.....United Kingdom

BUREAUS: LONDON, PARIS, BONN, ROME, NEW DELHI, TOKYO

ART DEPARTMENT, WASHINGTON

H. KLEBANOFF, *Director*, J. Ernest Beavin, H. C. Richardson, Walter O. Gretschel, E. H. Castens, M. J. Shimp
Staff Photographer: Thomas J. O'Halloran, Jr.

LUTHER A. DAWSON, *Librarian*

BUSINESS DEPARTMENT

24th & N Sts., N.W. Washington 7, D. C.
JOHN H. SWEET, *Publishing Director*
ANTHONY R. GOULD, *Business Manager*
HAROLD M. WELLS, *Executive Secretary*
W. L. BRAUER, *Treasurer*

ADVERTISING DEPARTMENT

30 Rockefeller Plaza, New York 20, N. Y.
Tel. Circle 6-3366
H. L. BEHLKE, *Director of Advertising*
NORMAN O. MICK, *Associate Advertising Director*
35 East Wacker Drive, Chicago 1, Ill.
Tel. Dearborn 2-4042

CIRCULATION DEPARTMENT

435 Parker Avenue, Dayton 1, Ohio
W. W. SPURGEON, *Manager*

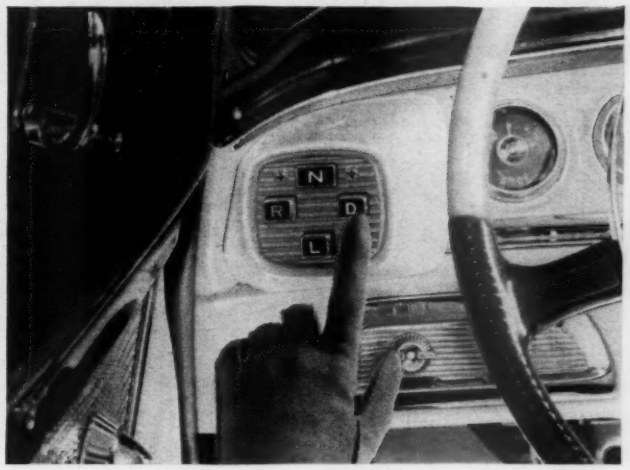
PRODUCTION OFFICE

RALPH M. FRANCISCO, *Manager*
350 Dennison Avenue, Dayton 1, Ohio
Tel. Melrose 9231

All communications relating to news or editorial matters should be addressed to the Executive Offices, 24th & N Streets, N.W., Washington 7, D.C. Tel. District 7-2900. Communications relating to subscriptions should be addressed to Circulation Department, 435 Parker Avenue, Dayton 1, Ohio

NEWS! . . . FROM THE *FORWARD* LOOK '56

NEWS IN THE FLIGHT SWEEP! . . . The year's freshest and truest new note in car design. In one clean sweep from headlights to up-swept tail, it clearly and unmistakably wraps up the whole idea of *GO!* Accenting the low, long, ground-hugging mass of the car . . . here's the design that looks completely like today, and points clearly to tomorrow, too!



NEWS IN PUSHBUTTON POWERFLITE! . . . Newest driving advance of the year! Put your finger on a button on the dash at your left for whatever driving range you want. *Only the driver can touch it.* Safe and convenient as never before. And remember . . . PowerFlite itself gives the finest blend of smoothness and swiftness among *all* automatic transmissions!

NEWS IN WONDERFUL SAFETY! . . . Brand new LifeGuard door latches that hold fast under stress as none have ever done before. Chrysler Corporation bodies and frames, strongest and most rigid built. The finest, most responsive Power Steering, Power Brakes and engines on the road. And Safety Seat Belts, if you wish, that meet official airplane specifications!

NEWS IN 4-DOOR HARDTOPS! . . . Now in Plymouth, Dodge, De Soto, Chrysler and Imperial! . . . *finest and most rugged cars of all in this newest body style!* The dashing, long, low line of the true hardtop . . . *but with full 4-door convenience.* Full side vision, with *full-width* rear doors and exclusive *full-width* rear windows in these cars of THE *FORWARD* LOOK!

THE BEST NEW CAR NEWS you'll find this year is in the cars of THE *FORWARD* LOOK '56 . . . *no matter what the price range!*

Here are cars that are full of new advances. Cars that *bring things to you* other cars do not yet have. Cars that *do things for you* other cars are not yet able to do.

Here are cars so new and so wonderful to own you'll feel a new kind of pride when you get one. Cars that literally make driving or riding a new kind of joy and satisfaction.

Right now, well over a million families own 1955 cars of THE *FORWARD* LOOK from Chrysler Corporation. These owners tell us they have discovered a motoring experience that simply cannot be found anywhere else today. And now comes the *second* year of challenge from THE *FORWARD* LOOK. *Now, for '56, the differences between these cars and all others become sharper still!*

Dealers everywhere are now showing, with great pride, the new Plymouth, Dodge, DeSoto, Chrysler and Imperial. See them, drive them, compare them and you'll agree the *biggest and best car news is from* THE *FORWARD* LOOK '56.

CHRYSLER CORPORATION

PLYMOUTH · DODGE · DE SOTO · CHRYSLER · IMPERIAL

Copyright 1955 by Chrysler Corporation

Tops in TV Drama—"Climax!"—CBS-TV, Thursdays

Mutual of Omaha
NEW
H·factor
Group Insurance

"CHECKS" FOR BETTER LABOR RELATIONS

Bonus checks that can't be cashed, yet they help your firm improve its employee-management relations.

These simulated checks are just one of a series of professionally prepared employee relations materials that make up the Mutual of Omaha "H-factor" program. Adapted to your organization, this pre-packaged program provides a simple and effective means to:

Nourish employee job satisfaction,

Demonstrate company interest in his health and welfare,

Build a bond of loyalty between employee and company.

Your investment in group insurance is at the point of no return if it does not pay off in better employee relations. Inquire how "H-factor" delivers new and more dynamic returns on your group insurance investment.

A Mutual of Omaha group specialist will be glad to make a survey of your firm at your own, your agent's or your broker's request. He will show you how this simple-to-use employee-relations program can be just one of the many direct and indirect benefits of Mutual of Omaha's "H-factor" group insurance program.

Mutual
OF OMAHA
Mutual Benefit Health & Accident Association
HOME OFFICE: Omaha, Nebraska

The March of the News

MORE VACCINE

SALK ANTIPOLIO VACCINE is plentiful enough so that its use can be broadened in some States, the Department of Health, Education and Welfare announced last week. Secretary Marion B. Folsom laid down new priority rules for individual States to follow.

In States where the 5 to 9-year-olds have been taken care of, priority status may be given to other children under 15, and to pregnant women. Since vaccine supplies still remain short of total demand, Secretary Folsom recommended that each State begin by extending its priority group to include "no more than five additional years of age outside the present 5-through-9 priority." A State, thus, might extend its priorities upward to include all 5 through 14-year-olds; or downward to include those younger than 5 years as well as the 5-to-9 age group. Or a State may broaden its priority at both ends to include, for example, all children aged 3 to 11.

If each State channels its vaccine to its age groups most affected by polio, Public Health officials predicted, "it will be possible to provide these groups some protection by the beginning of the next poliomyelitis season."

IKE'S 65TH BIRTHDAY

THERE WERE 2,000 "GUESTS" as President Eisenhower celebrated his 65th birthday from a bed in Fitzsimons Army Hospital, Denver, on October 14. Every patient and staff member in the hospital got a piece of the white cake with red icing, and most could eat more of it than the guest of honor. Mr. Eisenhower's 1,600-calories-a-day diet allowed him only an ounce and a half of cake.

The daily medical bulletins continued encouraging through the third week of the President's hospitalization. While he could not yet leave his bed, it could be wheeled out to the eighth-floor terraces, where the Chief Executive enjoyed a magnificent view of the Rockies. He also made his first semipublic appearance on the terrace, waving to patients on the grounds below. There was the first cup of black coffee, too, to be relished.

More important, there were growing indications that the presidential hand was once more at the helm of Government. Official conferences with Vice President Nixon, Assistant Sherman Adams, Secretary of the Treasury Humphrey, Secretary of State Dulles, Secretary of Defense Wilson and Adm. Arthur W. Radford, Chairman of the Joint Chiefs of Staff were scheduled at a slowly increasing pace.

"I SAW HITLER DIE"

TWO EYEWITNESS ACCOUNTS of the deaths of Adolph Hitler and Eva Braun in 1945 were made public last week. They came from German prisoners of war, released from the Soviet Union after 10 long years.

Heinz Linge, Hitler's personal valet, said he was the last to see the dictator alive in his underground bunker in Berlin, and told how he burned Hitler's body.

Hans Baur, Hitler's pilot, had a different version. Baur said he was in the same room with Hitler when the dictator shot himself.

One explanation for the rival claims: Both men say they hope to make a living by selling their accounts of Hitler's life and death.

ATOMS FOR BRITAIN

BRITAIN DROPPED OFFICIAL HINTS that she will soon make her bid to become a great nuclear power. Anthony Nutting, Minister of State, estimated last week that by 1975 Britain will obtain 40 per cent of her electricity from nuclear energy. Admiral Earl Mountbatten, First Sea Lord, followed up with another announcement. Britain, he said, was starting to design her own atom-powered engines for submarines and other warships.

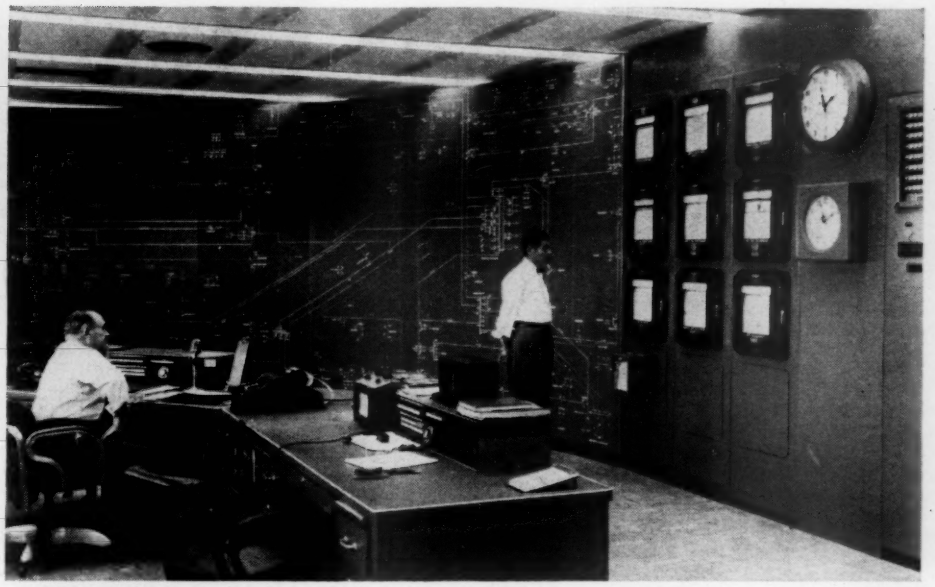
FOR REPUBLICANS ONLY

GOVERNOR LEO HOEGH of Iowa called a conclave of Midwestern Governors to consider the problem of falling farm prices. Invited were the Republican Governors of Illinois, Indiana, Nebraska, Kansas, South Dakota, Wisconsin and Wyoming. Not invited were the Democratic Governors of Missouri and Minnesota. Governor Hoegh explained he wanted "to keep this thing nonpolitical." He said, "We don't want anyone running for President here."

PASSENGER JETS

PAN AMERICAN WORLD AIRWAYS announced last week it had purchased 45 jet-powered airliners from two American companies, and would have them all in service by 1961. To be built by Boeing Airplane Co. and Douglas Aircraft, the jets will double Pan American's capacity and cut flying time from New York to London to 6 hours and 15 minutes.

Private Microwave System—Bell System microwave equipment helps a midwest power company operate smoothly, act quickly.



Telemetering Channels—Electric power moves around interconnected system under guidance of dispatchers. Bell System telemetering supervisory control and voice channels permit the operators in this load dispatcher's office to supervise and control the inter-exchange of kilowatts at remote locations 24 hours a day.

WE SHRINK DISTANCE

Bell System communications help draw together the far-flung units of the nation's power lines, pipe lines and railroads.

An increasing part of the Bell System's business is providing communications for the specialized needs of the nation's power lines, pipe lines and railroads. As these needs expand, so, too, does Bell System service.

The facilities of these industries stretch across great distances. Yet they must be able to contact any point immediately and make information available quickly from one end of the line to the other.

All require quick, reliable communications. Yet each has specialized problems. We tailor our communication services to fit their exact individual needs.

The Bell System can meet all their communications requirements. Among the things we provide are:

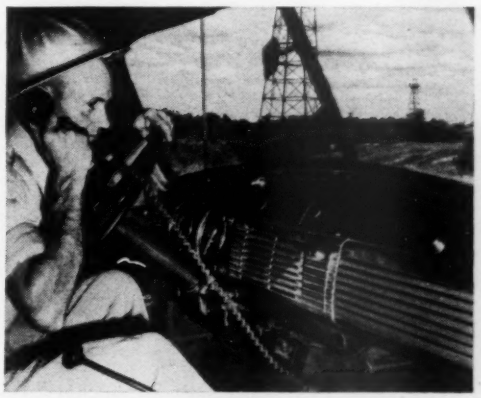
- Private Line Telephone Services
- Teletypewriter Service
- Mobile Radio Facilities

We also supply the channels for:

- Telemetering
- Supervisory Control
- Industrial TV
- Facsimile

And we are continually developing new and better services for all types of businesses. We want to help them meet the new communications problems that accompany their change and growth.

Bell Telephone System



Mobile Telephones for Pipe Liners—It is important that field men in the pipeline industry be able to make reports immediately and on the spot. Bell System provides mobile facilities for their trucks and cars.

Teletypewriter Cuts Rail Schedules—An extensive Bell System teletypewriter system is enabling one eastern railroad to cut Chicago to New York freight schedules up to 24 hours. Advance information speeds up train departures.

These new Lockheeds lead in jet-powered flight

America's first prop-jet airliner...first prop-jet combat transport...

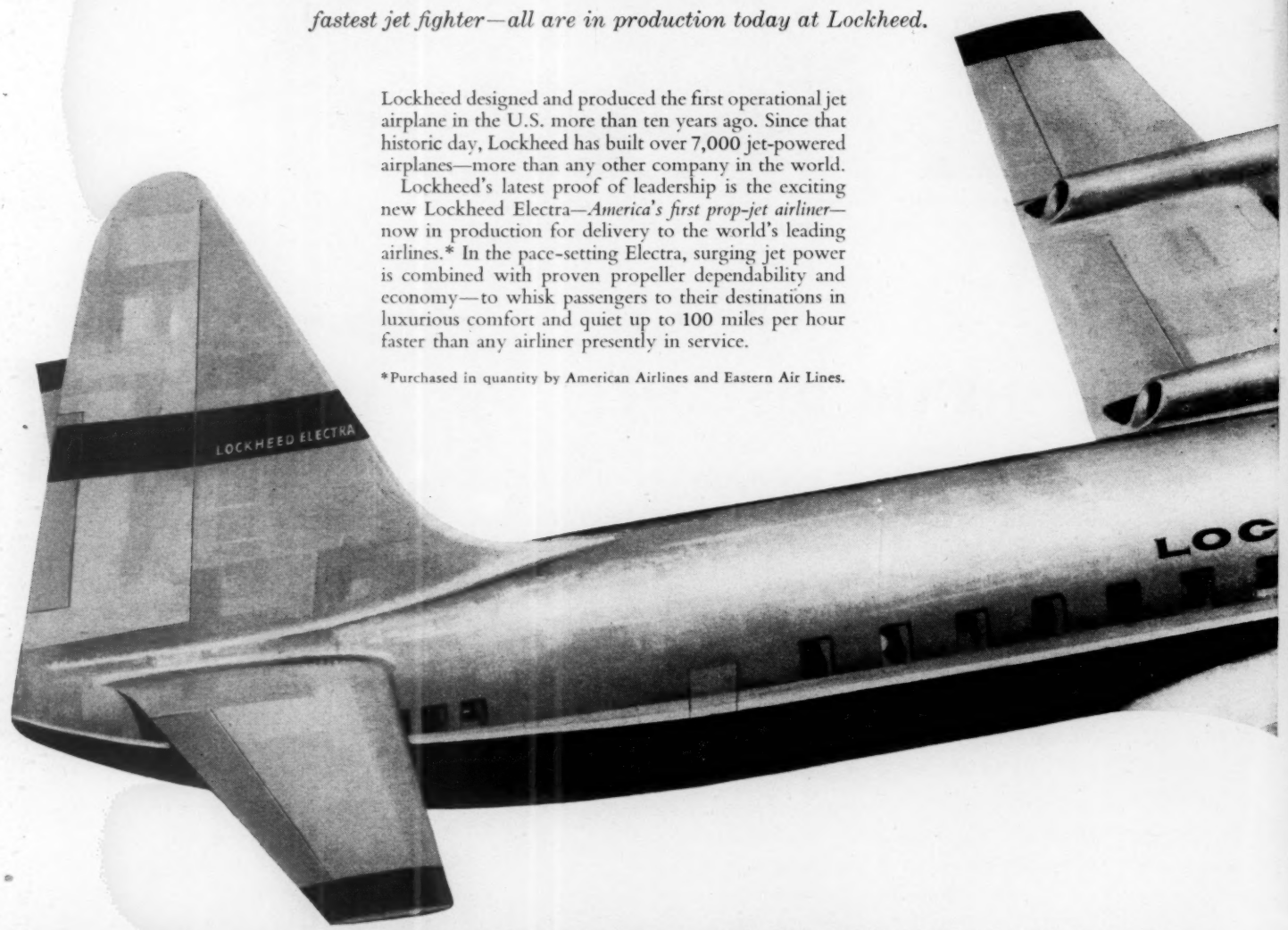
fastest propeller-driven airliner...first carrier-based jet trainer...and world's

fastest jet fighter—all are in production today at Lockheed.

Lockheed designed and produced the first operational jet airplane in the U.S. more than ten years ago. Since that historic day, Lockheed has built over 7,000 jet-powered airplanes—more than any other company in the world.

Lockheed's latest proof of leadership is the exciting new Lockheed Electra—*America's first prop-jet airliner*—now in production for delivery to the world's leading airlines.* In the pace-setting Electra, surging jet power is combined with proven propeller dependability and economy—to whisk passengers to their destinations in luxurious comfort and quiet up to 100 miles per hour faster than any airliner presently in service.

*Purchased in quantity by American Airlines and Eastern Air Lines.



IF YOU'RE A YOUNG MAN, 17 TO 28, INVESTIGATE MILITARY AVIATION AS A CAREER.

C-130 HERCULES, NEW PROP-JET COMBAT CARGO PLANE—Husky brother of the Electra. A 62-ton carryall, to transport men and materiel farther, faster and at less cost than any other plane! Now in production at Lockheed's Georgia Division, U.S. Government Aircraft Plant No. 6 at Marietta. As shown, a huge 5,000-gallon gasoline tank-truck can be driven up the ramp into the cavernous interior of a C-130. In background, Lockheed-built B-47 jet bomber.

NEW JET-POWERED VERSION OF SUPER CONSTELLATION. Achieved by substituting prop-jet power for piston engines—a remarkable increase-in-speed transformation made possible by the extremely rugged construction and advanced basic design of the time-tested Lockheed Super Constellations. Result: the fastest propeller-driven airliner in the world! Designated the C-121F by the U.S. Air Force, and the R7V-2 by the U.S. Navy, these prop-jet Super Constellations are now undergoing exhaustive official tests.

T2V-1, CARRIER-BASED JET-POWERED TRAINER. A design-descendant of the renowned Lockheed F-80 Shooting Star of ten years ago, the Navy T2V-1 (above) is acclaimed the world's safest jet plane. **F-104, STILL-SECRET JET-POWERED FIGHTER.** (Photograph not yet released.) A high-ranking USAF officer said of the F-104, "This is a fighter pilot's dream. We feel confident that it is the fastest, highest-flying fighter in the air, anywhere."

THE BRIGHT FUTURE OF FLIGHT. Virtually no limit is in sight as to speeds, distances and economies which will be possible in tomorrow's air travel. Rocket power, ram-jet engines or nuclear energy will thrust transports around the world at incredible speeds while passengers enjoy undreamed-of comfort. At Lockheed's Missile Systems Division and at other Lockheed research centers, scientists already are deeply engaged in projects involving these and other new sources of power for future flight.

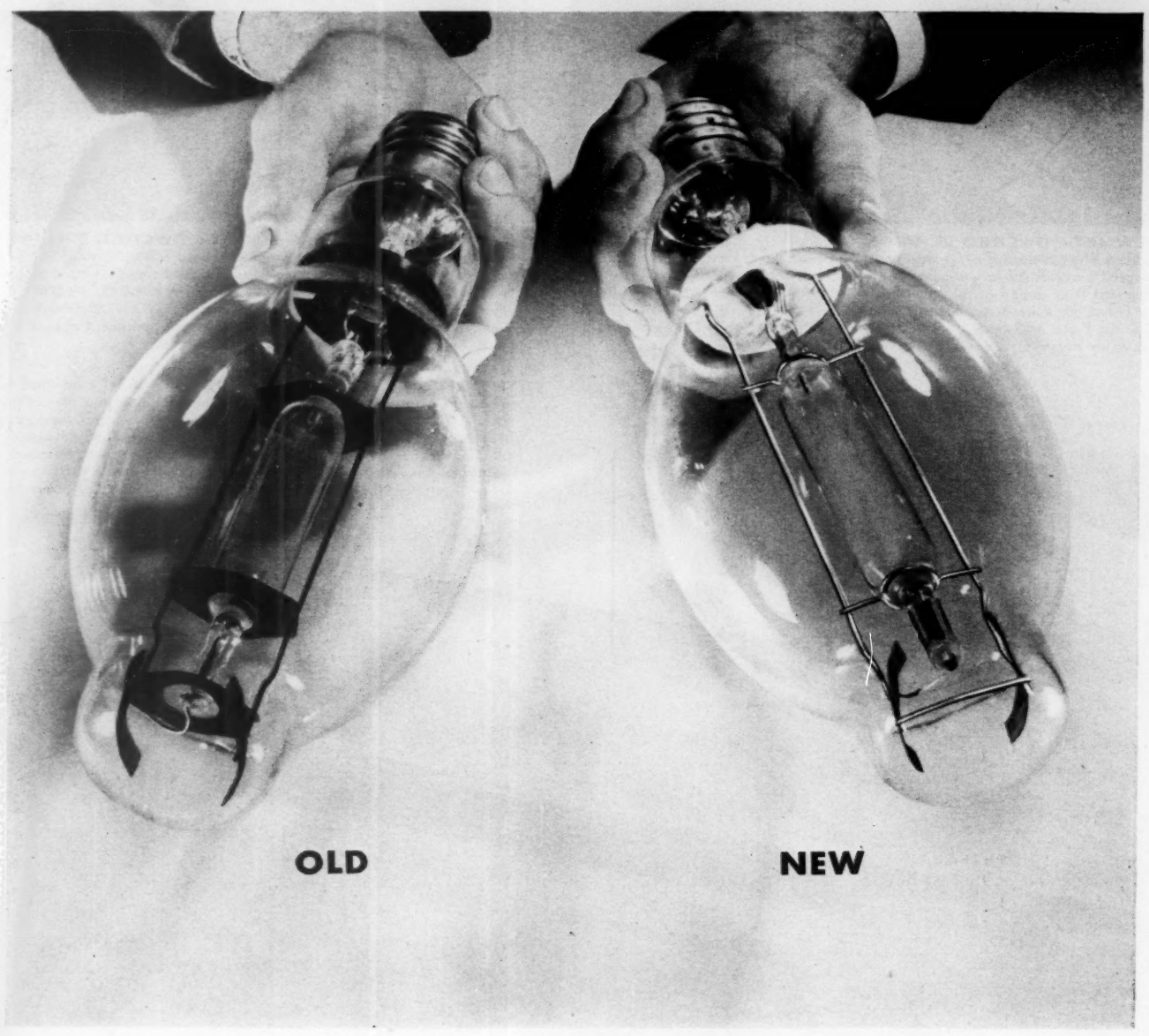
Lockheed

AIRCRAFT CORPORATION

California Division, Burbank, Calif.
Georgia Division, Marietta, Ga.
Missile Systems Division, Van Nuys, Calif.
Lockheed Air Terminal, Burbank, Calif.
Lockheed Aircraft Service, Burbank, Calif.

LOOK TO LOCKHEED FOR JET LEADERSHIP, TOO

G-E LAMPS GIVE YOU MORE FOR ALL YOUR LIGHTING DOLLARS



New, radically improved G-E mercury lamps substantially reduce the cost of mercury light!

EACH of the General Electric mercury lamps, in the picture, use 400 watts of electricity. But the new 1955 lamp gives 10% HIGHER LIGHT OUTPUT than the old model. There are FEWER EARLY BURNOUTS—those that occur before the lamp has burned 3,000 hours. These are down by more than half. And the new lamp has LONGER LIFE. It is so much longer that—for the first time in mercury lighting history—it is now rated on *economic* life rather than on *burnout* life.

Counting lamps, maintenance labor and electricity—the new lamp gives a bonus of light worth about $9.00 compared to last year's model.

Above, you can see two of the ways General Electric has improved the lamps. Compare the little metal structures inside the lamps. In the early 1954 model, left, the structure is bulky and dark. It blocks and absorbs a lot of light. In the new lamp it's slimmer, so it lets more light out. And it's silver plated, so it reflects the light that does hit it.

The lamp above is only one example. Other G-E mercury lamps have been radically improved, too. Yet most types cost *less* than before the improvements were made! To find what they can mean to you in dollars and cents, send for the new 12-page bulletin on G-E mercury lamps. It's free, just write Large Lamp Department, General Electric, Dept. 482-US-10, Nela Park, Cleveland 12, Ohio.

Progress Is Our Most Important Product

GENERAL ELECTRIC

FROM THE NATION'S CAPITAL

Tomorrow®

A LOOK AHEAD

Newsgram®

24th and N Streets, N.W.
Washington, D.C.

There is at least this much clearing of the political air:

Eisenhower, obviously, will not run again. Ike, bowing out, will not seek to say who should be nominated. He may say who should not be nominated.

Warren, under the circumstances, will not be drafted. California's Governor Knight appears out of it. That leaves two Californians still in the running. Knowland, Senate Minority Leader, may prefer to wait beyond 1956.

Nixon, among Californians, seems definitely to be out front.

Dewey's name is being dusted off, but he had two tries. It's doubtful if he will get a third. Humphrey, Treasury Secretary, is a year older than Eisenhower and without political following. Stassen, willing, made two tries for the nomination and missed. For Stassen to get it, Ike would have to insist.

Herter, Massachusetts Governor, is the man to watch. He'll be brought out in an effort to head off Nixon, but he was born abroad and is a close friend of Nixon. Nixon, right now, is front runner.

Among Democrats, Stevenson starts with a lead, but faces a real fight. Stevenson, to win nomination, will be forced into primaries. Kefauver will be the man Adlai must beat. Stevenson-vs.-Kefauver primaries may determine who it will be for the Democrats. Stevenson might not survive primary defeat.

Harriman will expect to move in if Adlai and Estes kill each other off. Harriman, however, is Ike's age, and with many political handicaps.

Kefauver, very clearly, cannot be counted out at this point.

A Nixon-vs.-Kefauver race for 1956 is within the realm of possibility. Both parties may want to offer candidates who are young and healthy.

Politics from now on will more and more shape the course of events.

Political certainty of a few weeks ago now is all uncertainty. When the outlook in politics is uncertain, businessmen become uncertain, investors have something new to think about and to be concerned about.

Eisenhower, well, seemed to signify five more years of certainty, five years when a man who inspires confidence in businessmen would hold power. Ike, ill, removes all certainty, opens the way to questioning of every kind.

What you can be reasonably sure of in the outlook is this:

Spending by Government will stay high. A bias toward inflation will govern thinking in Congress. Easier credit will get powerful support.

Farm subsidies will be increased. Price support at 90 per cent of what is called "parity" will be voted by Congress and then, probably, will be vetoed.

(No part of this or any other page may be reproduced without written permission)

Farmers, however, will be given more, in one form or another.

Tax cuts will be larger than had seemed probable. Cuts in taxes are very likely to favor the lower income groups--where most votes are found. Excise taxes, taxes on goods and services, may be forced down somewhat.

Social insurance is likely to be broadened again. Wives of retired persons and widows may get their pensions at age 62, instead of 65 as now.

When it looked as if it were to be Eisenhower, many Republicans expected that they could ride with Ike. Now it's to be more of a situation in which it's every man for himself. The U.S. Treasury will notice the difference.

Business trends are to continue moderately upward into 1956. Momentum already gained assures that. Christmas trade will break all past records. Industry's order backlog assures high production. Building still is in a strong position. Autos, in the 1955 cleanup, have sold like hot cakes. Way is being cleared for heavy promotion for 1956 models.

Credit tightening, though, is beginning to take hold here and there. Effect will become clearly noticeable at some point in first half, 1956, maybe before the end of the first quarter. Slowing of business, when it does show up, is likely to be moderate, not drastic. Trends probably will be a reverse of 1955--up early in the year, then moderately downward, not upward through the year as in 1955. White House aim will be to have things pointed up by or before November, but there's beginning to be doubt about that.

As one official explains it: What you're seeing now is a fight between the automobile industry and the Federal Reserve Board. The auto industry is forcing the market with heavy use of credit. Reserve Board feels that rise in use of credit to finance car sales is too rapid--mortgaging the future too much--and is determined to put on the brakes. This official says that his money is on the Reserve Board to win in the end.

Result: A prediction that car output and sales in 1956 may average out at about 1 million below the unprecedented 1955 total of around 7.7 million.

A 6.5-to-7-million-car year would be a boom year by any past standard.

Its recent shakeout leaves stock-market values more in line with the outlook for earnings, dividends. Stock yields, averaging less than 4 per cent before the break, rose to a 4.35 per cent average. Year-end dividends, some increases in dividends to be expected, would improve that yield still more.

Stocks, however, may continue to reflect the new uncertainties for a good while to come; may reveal investor caution until the political outlook clears more. Investors appear very sensitive to any indication that there may be a change in 1956, away from a conservative in the White House.

Most opinion is that an early revival of the bull market, on the scale of the recent past, is improbable. The same opinion is that any heavy selling in an active bear market is improbable, too, while business prospects are what they are and while it still is uncertain who will win in 1956.

Military spending is going to remain high. Disarmament is unlikely to get out of the talk stage for a very long time. The Soviet Union is doing fine, is making big propaganda gains in the time of so-called coexistence.

The drift seems toward a more difficult role for U.S. in world affairs.

 (No part of this or any other page may be reproduced without written permission)

Now they teach enterprise!

School teachers Elizabeth and Kathryn Journey had a lot to learn when, twelve years ago, they took their father's place at the head of the Citizens Telephone Company in Higginsville, Missouri. They faced a man-sized job, without experience and without the time to acquire it. But what they had —resourcefulness and a spirit of community service—was enough. Today, the number of telephones they serve in Higginsville and two neighboring communities has doubled! And when a new $300,000 dial system went into service recently, their company's dollar investment had more than *quadrupled!* True, the Journey sisters no longer teach, but their story itself is a lesson in American enterprise... typical of America's growing Independent telephone companies everywhere!

INDEPENDENT

Independent Telephone Companies of America

United States Independent Telephone Association • Pennsylvania Building • Washington, D.C.

Washington Whispers®

[Items appearing on this page are reported in Washington and other news centers]

Ike's Desk Is Piling Up . . . White House Not Alarmed By Market Break . . . Harriman Seeks to Avoid Union Tag

Adlai Stevenson, out front at present among those talked of for the Democratic presidential nomination, is going to be forced to fight it out with Senator Estes Kefauver next spring in key presidential primaries. Mr. Stevenson will not be able to coast to the nomination.

★ ★ ★

Harry Truman, former Democratic President, will use his influence to force Mr. Stevenson to face up to other Democrats in primaries that can break a candidate if he loses but can't make him if he wins.

★ ★ ★

Averell Harriman, Governor of New York and prominently mentioned for the Democratic presidential nomination, is prepared to come out with a blast against Americans for Democratic Action—the ADA that represents the New Deal wing of the party. Mr. Harriman wants to overcome the impression that he is closely aligned with labor-union leaders.

★ ★ ★

President Eisenhower's illness is beginning to result in a pile-up of business that no one but the President can clear. Resignations, appointments, decisions on many policy issues are among matters to be acted upon. It will be some time before the President will be asked to decide things that would cause him to be irritated.

★ ★ ★

It will not surprise some very well-informed California politicians if William Knowland, California Senator, winds up supporting Vice President Nixon for the '56 Republican nomination. Alternative might be to have no one from California on the ticket.

★ ★ ★

John Foster Dulles, Secretary of State, is genuinely worried about the prospects of a renewed outbreak of the Israeli-Egyptian war in the next few months. He has reports that indicate the tension between the two countries now is at an all-time high.

★ ★ ★

White House economic advisers are not seriously disturbed by the break that has occurred in the prices of stocks. Before this break occurred, the official worry was that stock prices were getting into a dangerously high zone that threatened to bring later trouble unless controlled. The market break made it unnecessary to tighten screws on credit still further.

★ ★ ★

William McChesney Martin, Jr., Federal Reserve Board Chairman, still holds to a wait-and-see policy before easing credit restrictions, and finds that most of the Board members go with him. The Reserve Board wants to be sure that the rate of expansion of installment credit is slowed before reversing its money policies.

★ ★ ★

Ezra Benson, Secretary of Agriculture, is not changing his approach to the farm problem despite growing pressure from some members of the Cabinet who are most sensitive to political trends. Political pressures are increasing for the White House to come out in favor of some new plan to bolster farm income.

★ ★ ★

Some high-ranking Republican politicians are willing to bet that there will be a plan to support hog prices long before the 1956 election.

★ ★ ★

Gen. Curtis LeMay, tough head of the U. S. Strategic Air Command, would be top commander and Omaha, Nebr., central headquarters for defending the non-Communist world if Field Marshal Viscount Montgomery, Britain's No. 1 soldier, could have his way. The Field Marshal feels that General LeMay's SAC and a base in U. S. represent the heart of defense.

★ ★ ★

T. Coleman Andrews, the country's tax collector, is one of those whose desire to return to private life is caught up in the difficulty of finding a successor. Mr. Andrews has wanted to step out for some time, but is told that he cannot leave until there is someone to take his place.

★ ★ ★

The White House staff is being told that, with the President out of action for an indefinite period, it is necessary to get before the public with speeches and pronouncements that give the impression of continuing accomplishment in Government. The flow of news from official sources has dried to almost a trickle.

★ ★ ★

Gamal Abdel Nasser, Egypt's Premier, is described as having taken lessons from his old friend Marshal Tito, of Yugoslavia, on how to play the U. S. off against the Soviet Union to get more gravy from both. Some American officials are convinced that the Soviet offer of arms to Egypt was far less firm and much smaller than Premier Nasser has made out.

★ ★ ★

V. M. Molotov, Soviet Foreign Minister, despite protestations to the contrary, is on the skids. Nikita Khrushchev, the new strong man, wants all new faces on his team in order to try to sell the idea that there's been a real change inside Russia. Molotov is remembered in the West for too many double crosses, so it's felt necessary to give somebody else a chance to build up a reputation.

1 Shell leaves enemy mortar, headed for U.N. lines.
2 Radar detects shell in flight, automatically tracks course, sends data to recorder.
3 Recorder translates data, enables operator to pinpoint position of enemy mortar.
4 With exact position known, U.N. howitzers destroy enemy mortar by accurate return fire.

ENEMIES' MORTARS LOCATED BY RADAR

Army Used Device Against Reds in Korea, N.Y. TIMES, DEC. 12, 1954

THE STORY BEHIND THE STORY:

■ "Hundreds of soldiers now returned safely from Korea literally owe their lives to the extreme accuracy and speed of the new counter-mortar system." This good news was revealed by the Signal Corps in December when the public first learned of the existence of the MPQ-10 Mortar Locator, one of the Army's best kept secrets.

■ How could a carefully concealed enemy mortar be located and destroyed after just one or two shells had been fired? And how could such devastating accuracy be repeated over and over again—no matter how often the enemy relocated his mortars? These were important questions in Korea.

■ Actually, the uncanny efficiency of the MPQ-10 Mortar Locator was due to the joint efforts of the Army Signal Corps and Sperry engineers. Working together, they developed a new portable radar system for use at the front lines. How does it work? An automatic radar tracker detects and "locks on" the path of enemy mortar shells. In effect, it traces each shell back through its trajectory and reveals the enemy position. This information is then relayed to an artillery fire direction center which directs a return barrage against the enemy mortar in a matter of minutes.

■ Delivering this Mortar Locator to the troops is another example of Sperry engineering and production solving a problem to meet a critical need. Today, in the air, at sea, as well as on land, Sperry is helping extend our nation's capabilities with instruments, controls and systems for all branches of the military as well as for important segments of industry.

SPERRY GYROSCOPE COMPANY
Great Neck, New York
DIVISION OF SPERRY RAND CORPORATION

PEOPLE ★ ★ ★

OF THE WEEK

› MILTON EISENHOWER, first of the President's four brothers to visit his sickbed in Denver, is the one Ike would turn to instinctively for a talk about future plans. The brother the President has praised as having "the brains" in the Eisenhower family has been his trusted and most intimate confidant for years; his adviser on many important decisions.

Milton Eisenhower is 56—nine years younger than the President. Their close boyhood ties were strengthened in Washington, where the future President was an Army major, working in the office of the Army Chief of Staff, and his "baby brother" was employed in the Agriculture Department. The two spent many evenings together discussing personal problems, their work, their ambitions.

Although he is a Republican, Milton Eisenhower spent about half of his 19 years of Government service working under a Democratic Administration. President Franklin D. Roosevelt commended him as "quite a man," made Milton Eisenhower one of his top trouble shooters during World War II. Milton is now president of Pennsylvania State University.

—Wide World

SHERMAN ADAMS AND MILTON EISENHOWER IN DENVER
The youngest brother is close to the President

› VISCOUNT MONTGOMERY, soon to visit the U. S., can be expected to press his argument for the merger of land, sea and air forces into a single service. The British Field Marshal believes that the Western powers' organization of separate services is outdated in this atomic age, that future officers should be trained "to be completely interservice."

The Deputy Supreme Commander, Allied Powers in Europe, foresees the doom of armored and infantry divisions as they exist today, proposes their replacement with "standard" divisions that would bunch infantry, tanks, artillery together.

Often at loggerheads with American senior officers during World War II, Field Marshal Montgomery has worked smoothly under U. S. leadership since he took over his present post in March, 1951.

The 67-year-old British military hero of the desert campaign in North Africa now believes that the air forces of the Western nations should be welded into "one single mighty weapon of air power," with command in the hands of an American. He further believes there should be an over-all political authority, based in North America, for the direction of any war involving the West.

—United Press

BRITAIN'S VISCOUNT MONTGOMERY
". . . one single mighty weapon"

› AUTO MAKER named to the Atomic Energy Commission will bring that Government agency up to full strength of five members for the first time since June, 1954. **Harold S. Vance,** an official of the Studebaker-Packard Corporation, received a recess appointment, plans to join the Commission later this month. His nomination must be confirmed by the Senate when it reconvenes.

An earlier move by President Eisenhower to fill the AEC vacancy backfired last July when opposition from Democrats arose on Capitol Hill. Mr. Eisenhower first named Allen Whitfield, a Des Moines attorney, for the five-year term, but withdrew the nomination at Mr. Whitfield's request.

Mr. Vance, 65, started as a mechanic in 1910, joined Studebaker in 1911. He was chairman of the board of directors from 1935 to 1948, and president and board chairman from 1948 to 1953. With merger of the Studebaker and Packard companies in October, 1954, he was named chairman of the executive committee of the new firm.

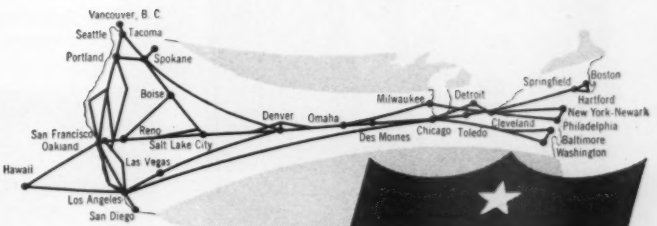
The new Commissioner must withdraw from all business connections to take the AEC post, which pays $18,000 a year.

(Continued on page 16)

Are you putting United's "free mileage" to work?

United Air Lines' many optional routings mean "free mileage" for your salesmen and executives—and make it easy to wrap up several business calls in just one trip.

For example, at no extra cost your men traveling on First Class Mainliners® from the West to New York may go via Detroit and Cleveland, return by way of Philadelphia and Toledo. Or from the East, go by way of Los Angeles, return via San Francisco. United has three great transcontinental routes from which to choose. And for added efficiency, if you wish, United will reserve a rental car for you at any point en route.



UNITED AIR LINES

Fly the Business Route of the Nation

For reservations, call or write United or an Authorized Travel Agent

CONTINUED

› UTAH'S GOVERNOR is planning to boycott the federal income tax next April. Republican **J. Bracken Lee** says his goal is a Supreme Court test of the Federal Government's right to tax the American people—as he puts it—"for the support of foreign countries."

When Democrats demanded that Governor Lee resign and challenge the revenue collector as a private citizen, he told them to mind their own party business.

An insurance-company official who entered politics as mayor of Price, Utah, the Governor has been in office since 1949—the first Republican chief executive of his State in a quarter of a century. He is proud of the "sound business principles" of his administration; has defied political custom by cutting funds for schools, veterans' aid, farmer benefits.

Governor Lee has complained that the U. S. has swung "farther to the left in the last two years than at any other time in our history." He has also said he would support a Democrat for President—if the Democrat were a candidate "who wouldn't give the country away."

› HAROLD E. STASSEN has let it be known that he could be drafted as the Republican nominee for President in 1956. He makes a single condition: It would have to be the wish of President Eisenhower: "That is the way I work with him."

The former Governor of Minnesota has been in and out of the spotlight of national politics since 1940. In that year he managed the floor fight that won the Republican presidential nomination for the late Wendell Willkie. He was in the Pacific as a Navy commander during the 1944 campaign. But in 1948 and again in 1952 he sought unsuccessfully to head his party's ticket.

Mr. Stassen has been a top figure in the Eisenhower Administration from its earliest days. He ran the Foreign Operations Administration for two years, rarely missing an international conference anywhere in the world that involved U. S. foreign policy. As the President's "Secretary of Peace," he now has the status of a Cabinet officer, directs this country's search for a disarmament and arms-inspection plan agreeable to the Western powers and to the Russians, is optimistic of success.

President Eisenhower is known to be favorably impressed with Mr. Stassen's work. The Minnesotan is not a possibility to be dismissed, if given Ike's support.

› NEW COMMANDER of the American Legion is a Purple Heart veteran of World War II, a leader in the organization's campaign to expose subversion. **J. Addington Wagner,** a 41-year-old attorney from Battle Creek, Mich., traveled 86,000 miles and visited 46 States in an election campaign that ended last week at the Legion's 37th annual convention in Miami, Fla.

Mr. Wagner served as a Navy officer aboard a rocket-firing ship in the Pacific, was wounded in an air attack during the assault on Okinawa. He has been active in the Legion since 1946, was a National Vice Commander in 1952-53, and more recently vice chairman of the Legion's Americanism commission.

The new Commander is a graduate of Washington and Lee University Law School, is associated with his father and sister in a family law firm in Battle Creek. He was assistant attorney general of Michigan in 1940-41.

Under Mr. Wagner's leadership, the Legion can be expected to continue its "cold war" against Communism—a war that the new Commander said will end only "when the enemy lays down his weapons of propaganda and deceit, and gives up his design on America."

AN AILING LEADER—AND 3 WHO SIT IN THE WINGS

—USN&WR, Harris & Ewing photos

CHANCELLOR ADENAUER

› KONRAD ADENAUER'S bout with pneumonia revives a question that has long worried Western leaders: What will happen in West Germany when its iron-willed Chancellor, who will be 80 next January, gives up the helm?

Three names stand out as possible successors. But none appears to have the political strength necessary to preserve the coalition that keeps the Bonn regime alive.

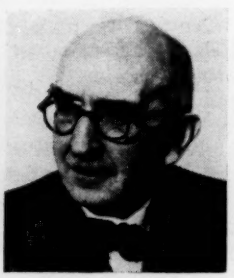
Fritz Schäffer, 67, is Finance Minister, charts the Government's fiscal policies with what amounts to a free hand. He has the support of conservative elements.

Ludwig Erhard, a professor turned politician, is 58. As Economics Minister, he is credited with blueprinting West Germany's surprising industrial recovery.

Youngest of the trio is Foreign Minister **Heinrich von Brentano,** 52, regarded by many as Chancellor Adenauer's choice as heir apparent. His ascent has been rapid, especially in the last few months.

VON BRENTANO

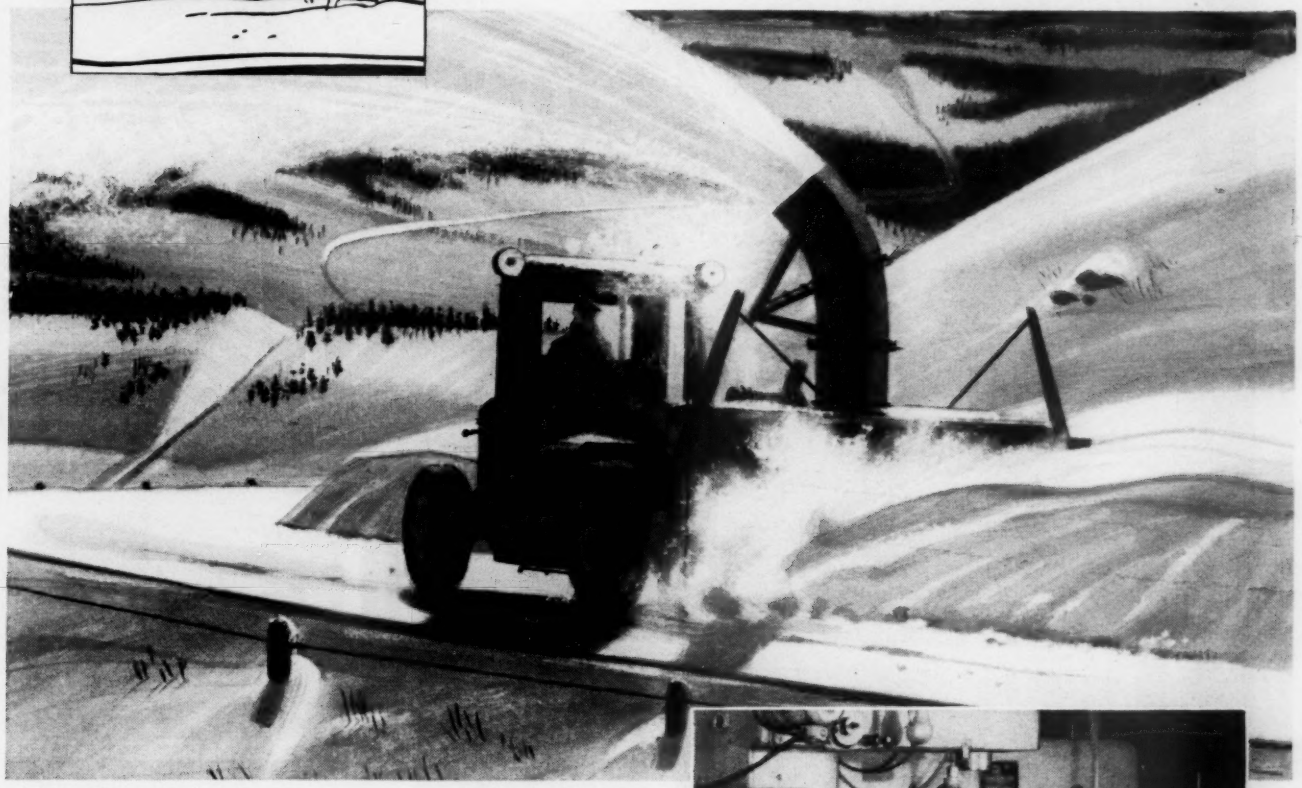
ERHARD



SCHAFFER

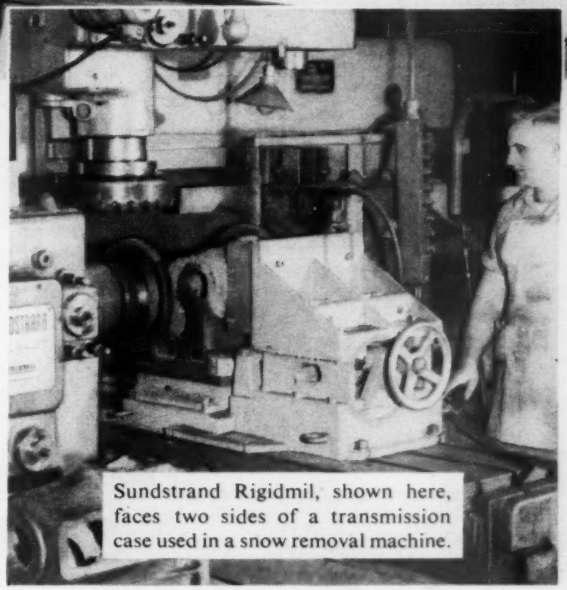
The horse, of course, was quite a help, but . . .

here's a better way



Snowplowing used to be a job for Dobbin . . . but winter gets the *mechanized* treatment nowadays . . . on snow-smothered highway or hard-packed city street. Sundstrand's contribution to this "better way" is through machine tools such as the Sundstrand Rigidmil (*right*) used to produce heavy-duty vehicle parts. Sundstrand equipment and technical know-how are helping to bring manufacturing costs *down*, production *up*. The snow removal field is just one of many served by Sundstrand's "Engineered Production" Service.* Perhaps Sundstrand is a name to remember in *your* business, too.

*Reg. U. S. Pat. Off.



Sundstrand Rigidmil, shown here, faces two sides of a transmission case used in a snow removal machine.

SUNDSTRAND

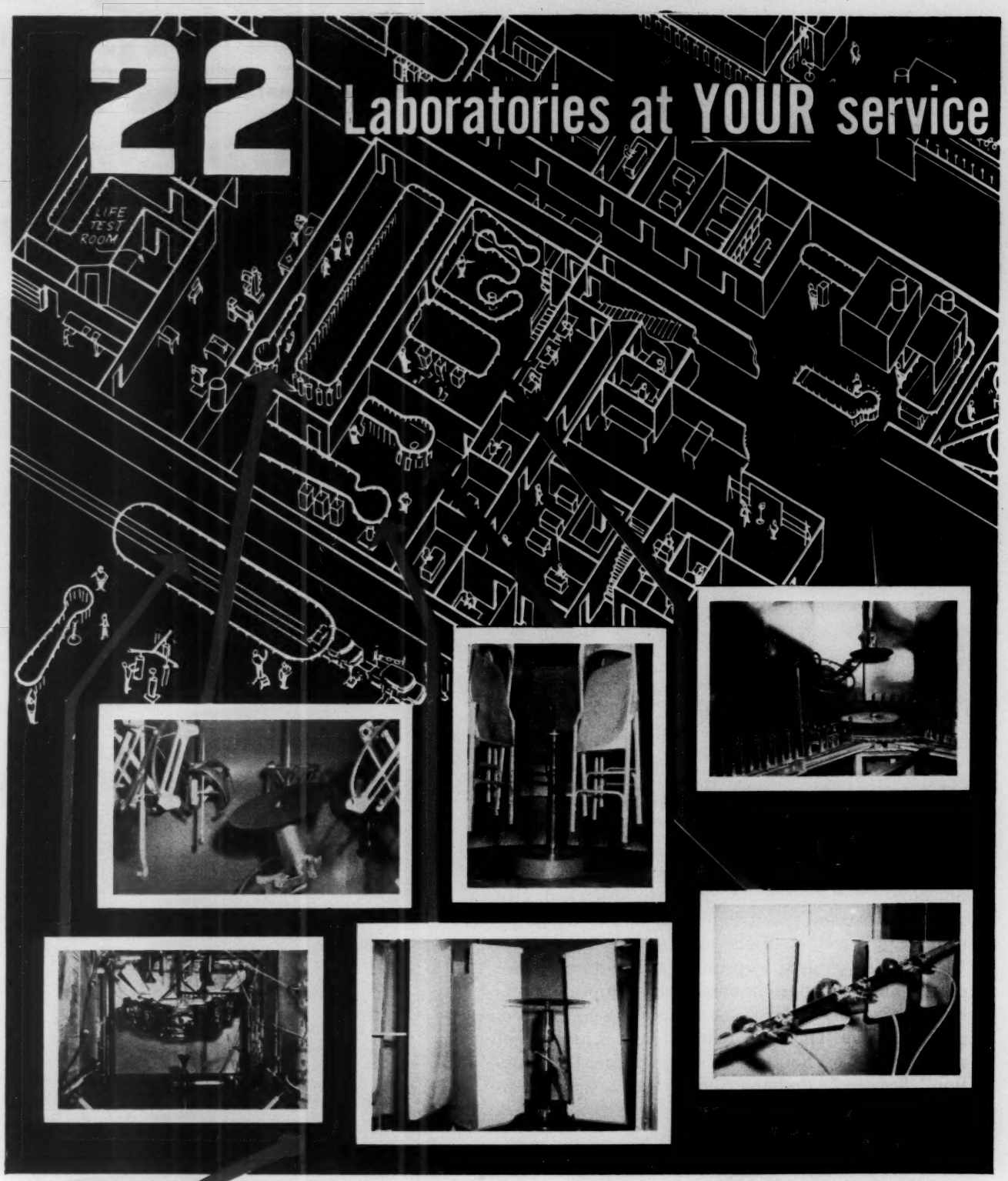
SUNDSTRAND

. . . a name to remember in your business, too!

SUNDSTRAND MACHINE TOOL CO.
Rockford, Illinois

Aircraft Hydraulic Constant Speed Drives and Pumps • Lathes, Milling, Broaching and Special Machines • Industrial Hydraulic Valves and Pumps • Domestic Oil Burner Pumps • Magnetic Chucks and Coolant Separators • Air Sanders

22 Laboratories at YOUR service



YOUR JOB, LIKE THESE SHOWN ABOVE, WILL BE TEST PROVEN

under simulated production conditions to determine cost-saving benefits and other advantages. Ransburg also maintains other test facilities in Los Angeles, London, England; Bad Hersfeld, Germany; Paris, France and Sydney, Australia.

to prove the painting of YOUR products with

RANSBURG

Electrostatic Painting Processes

Let us make laboratory tests and prove the advantages and cost-saving benefits of painting YOUR products AUTOMATICALLY with one of the Ransburg Electro-Spray Processes.

GET THE FACTS . . . IT COSTS YOU NOTHING!

STEP BY STEP—HERE'S WHAT YOU GET . . .

- Survey of your plant by Ransburg's experienced field engineers, including savings estimate.
- Lab painting demonstration of your products, using equipment closely simulating your own production conditions.
- Accurate measurements of paint film thickness.
- Engineering report of detailed tests to determine paint and labor savings.
- Coated samples of your job, lab production photos, and even movies if desired.
- Detailed drawings of equipment and workholder.

All of the above without obligation to you. And, before equipment is installed you receive detailed, pre-installation instructions. Too, a well-qualified, experienced engineer supervises installation and trains your operator on the job. Ransburg offers continuing laboratory and field service to help you with any of your finishing operations.

Ransburg

ELECTRO-COATING CORP.
Indianapolis 7, Indiana

● **First,** Ransburg sales engineers will make a survey in your plant to check the possibilities of using Electrostatic Spray Painting on your products. Next, you will send samples of your unpainted products—with paint—to the Ransburg laboratories in Indianapolis.

Here, the technical staff takes over. The Ransburg Engineering staff—which includes PH.D's and Masters in Physics, Science, Electrical, Mechanical and Chemical Engineering—makes a complete study of your job. Not only do they have the necessary academic training, but they have the "know how" gained from years of actual experience in the field. Ransburg, you know, was the pioneer in Electrostatic Spray Painting 15 years ago. Engineers and well-qualified technicians have at their disposal every facility for conducting complete tests, simulating your own production conditions. They'll decide which type conveyor is best suited for your job. (There's a conveyorized lab set-up—22 in all—to handle products ranging in size from automobile bodies and chassis to small components, such as window hardware.) They'll design workholders, if necessary, and determine exactly how your job can be run to your best advantage. Details, such as fixture spacing, will be worked out too.

After preliminary studies and tests, you are invited to Indianapolis to see your job run in the lab. If you wish, photos and even movies of your test run can be made and furnished for your own production people to study. You see first-hand what Ransburg Electrostatic Spray Painting can do for you in your own plant.

YOU GET PAINT AND LABOR SAVINGS

Paint usage is accurately measured during the demonstration. The Ransburg No. 2 Process will provide savings up to five times the paint mileage of hand spray. And, one unit can do the work of many hand sprayers. You will see the improved, uniform quality of the work . . . you'll know what kind of increased production to expect, and you can recognize labor savings. ALL OF THIS WITHOUT OBLIGATION.

Ransburg service doesn't end there. After the equipment is installed in your plant—with our supervisory help—we will train your operator and continue to work with your finishing department. Our technically-trained field service engineers are always available to assist with any of your finishing problems.

Briefly, that's our story. Now it's your move. Call or write.

At Minnesota Mining and Manufacturing Company (known as "3 M"), they say,

"He's America's No. 1 stick-up man!"

"Need a 'Scotch' brand tape for grafting trees? Wrapping a new automobile? Splicing a rug?

"We have 'em – and hundreds more," says "3 M" Executive Vice-President L. F. Weyand. "No wonder they call me the 'stick-up man.'

"But there's one kind of sticky tape you won't find around here, and that's *red* tape. When our dealers or customers ask for a shipment in a hurry, we take them at their word.

"We call Air Express – and the shipment is delivered in a matter of hours!

"We know we can depend on Air Express. We prove it hundreds of times a year. What's more, we *save money* by using Air Express. A 25 lb. shipment from St. Paul to Miami, for example, costs $13.65 door to door (one charge). That's 20¢ less than *any* other air carrier – and the service just can't be compared!"

Air Express

GETS THERE FIRST *via U.S. Scheduled Airlines*

CALL AIR EXPRESS . . . *division of* **RAILWAY EXPRESS AGENCY**

VOLUME XXXIX—No. 17 U.S. News & World Report WASHINGTON, D. C.

WHAT'S THE STOCK MARKET AFRAID OF?

Political Uncertainty . . . Future of Business

There is more behind the story of stock-market jitters than just the sudden shock of President Eisenhower's illness.

What really caused the trouble was a shift in investors' state of mind, a feeling of uncertainty about the future.

Fear of a setback came to the surface, fear that tighter credit, forced by Government, would throttle the boom.

There was fear, also, of political change, with memories of New Deal days when taxes were for "reform" more than revenue, when labor was riding high in Washington.

All this and more was in the picture.

A series of three sharp breaks in stock-market prices, followed by moderate recoveries, is raising this question:

What, really, is the stock market afraid of in this period of boom?

The answer, it turns out, is to be found not in one single fear but in a combination of several fears. Upsetting the biggest bull market in a quarter of a century are these things:

• An awareness that Government policy, designed to check the rate of rising credit, is beginning to take effect in the housing industry and perhaps in other industries. Part of the boom, in other words, shows signs of slowing, leading to some fear of recession.

• There is apprehension, too, that political changes which might develop would produce policies of the kind that businessmen regard as harmful. New Deal and Fair Deal programs signify trouble to many businessmen.

• Concern over future profits grows out of the uncertainties about the business outlook and future Government policies. A good many investors believe that even a moderate slowing in business could have a severe effect on profits, and possibly on dividends, because of steadily rising costs.

They like Ike. As long as President Eisenhower was well, it was taken for granted that he would again head the Republican ticket and be re-elected in 1956. To investors, that meant the assurance of five more years of an Administration headed by a friendly Chief Executive. Businessmen felt that, with such an atmosphere, they could go ahead with large-scale investment in plant and equipment and take risks without fear that the Government would act abruptly in an unfriendly or upsetting way.

All that suddenly changed. People wondered who would be in the White House after next year. Thoughts turned to the days when utilities were under attack, taxes were designed for "reform" more than for revenue, and strikes were settled in White House conferences with union leaders.

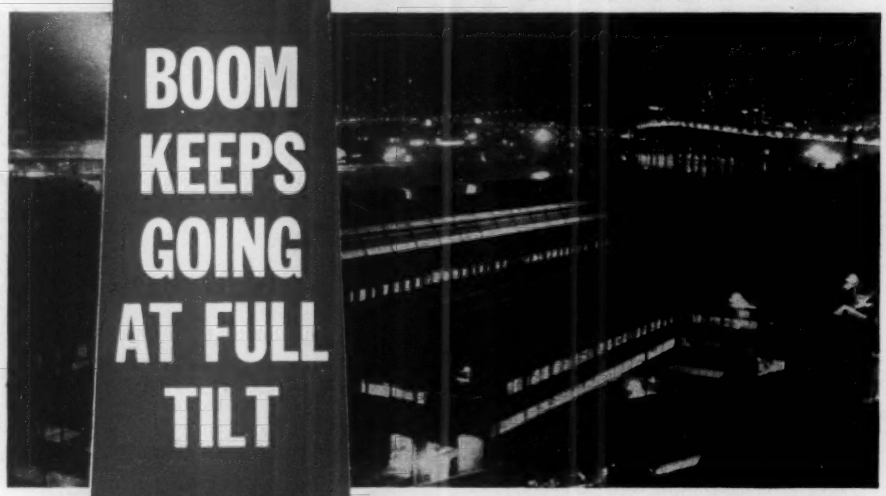
—USN&WR Photo

THE STOCK EXCHANGE
Some investors decided to trim their sails

A high degree of certainty was replaced by uncertainty.

At the same time, markets abroad —after a long period of rise—turned lower. Britain had a severe break in the price of industrial stocks. Prices moved lower in Germany. There was weakness in Toronto, Paris, Amsterdam and other centers. American investors, noting trends in other parts of the world as well as in the United States, began to wonder whether anti-inflationary policies of nearly all Governments were starting to take effect.

Fear of what the future might bring lay behind the waves of selling that hit stocks in this country. Investors with large profits suddenly decided to try to cash in on those profits. Declining prices, in turn, touched off "stop loss" orders, instructing brokers to sell on the decline. At the same time, people with money to invest tended to



BOOM KEEPS GOING AT FULL TILT

SPENDING IN U.S.	Nearing 400 billions a year, a new high.
JOBS	More people working than ever before at this time of year.
UNEMPLOYMENT	Down to 2.1 million, lowest in two years.
PERSONAL INCOMES	Above 300 billions a year, and still rising.
RETAIL TRADE	Record high, up three months in a row.
CONSTRUCTION	Off slightly from record of last May.
FARM INCOME	The one dark spot; down 34 per cent from 1948 high.
PRODUCTION	Factories working overtime, output higher than ever before.
BUSINESS SPENDING	Outlays for plant and equipment at all-time high.
FACTORY ORDERS	Another record, up one third from a year ago.

Photo: H. Armstrong Roberts

hold back, hoping to buy at still lower prices.

The chance that there will be a political change after 1956 generates deep-seated uncertainties among investors and businessmen. These uncertainties affect attitudes and decisions even though a change of parties in the White House would not break the conservative coalition that controls Congress on many issues. Investors and businessmen, whether rightly or wrongly, believe that there are basic differences in viewpoint between almost any Republican presidential candidate and any prospective Democratic President.

Tax policy is one point of difference and one reason for the fears that led to the selling of stocks.

If Democrats should win the Presidency in 1956, many investors and businessmen would expect larger tax cuts than if the Republicans keep control. But they would look for those cuts to go primarily to lower-income groups, with millions of taxpayers to be taken off the tax rolls by an increase in personal exemptions. At the same time these businessmen would wonder about continuing the tax credit on dividend income. They would be uncertain about tax rules applying to writing off expenses for plant and equipment.

These officials would fear that under Democrats tax policy might once again be related to giving as many tax concessions as possible to individual consumers, while applying punitive taxes to corporations and to individuals with upper-bracket incomes. They regard Republican tax policy as designed to encourage business incentives and expansion.

Union-leader influence is another source of concern to investors and businessmen as they look into the future. Power and influence of the White House was thrown to the side of the unions on economic and political issues during the Roosevelt and Truman Administrations. Mr. Eisenhower pulled the White House back to the side lines. Now the question is raised about whether leaders of organized labor will regain their position at the top of Government.

Public-utility operators, where the utilities are privately owned, tend to think of a shift back to Democratic control as unfavorable to them. They would expect more emphasis on public-power developments and big dams, more consideration for such groups as rural-electrification co-operatives.

Producers of natural gas have been hopeful that Congress will relieve them of federal regulation. If Congress does not act on this issue in 1956, and if a Democratic President should be elected later in the year, the natural-gas industry

© 1955, By U.S. News Pub. Corp.

would regard chances of getting such legislation as rather small.

Industry leaders also remember some problems that arose in Democratic Administrations of the past.

In the New Deal and Fair Deal days there was some talk of Government-built steel mills, to compete with privately owned firms. There were proposals for Government purchases of freight cars. No recent suggestions of this type have been put forward, but the threat is remembered, nevertheless.

Railroads also had been looking forward to some easing in rate regulation. A transportation policy that would encourage more competition among railroads, trucks, ships and airlines has been proposed by the Eisenhower Administration. A shift in party control at the White House would be viewed as killing any chance for this legislation.

Then, too, there is the question of staffing the many agencies of Government that affect business operations. Under Mr. Eisenhower, businessmen have come to believe that they are getting more considerate treatment from such agencies as the National Labor Relations Board, the Federal Communications Commission, the Federal Power Commission, the Federal Trade Commission and the Securities and Exchange Commission. These same businessmen would expect a shift in policy under a Democratic regime.

In general, investors and businessmen feel that there is a fundamental difference in philosophy between the "liberal" wing of the Democratic Party—the wing with leading candidates for the Presidency—and the Republicans.

Essentially, Democrats are regarded as favoring the use of Government power and taxes to redistribute income, to promote social-welfare benefits, to subsidize favored groups. Republicans, on the other hand, are viewed as the party that leans toward promoting private initiative, toward reducing the activities of Government in business.

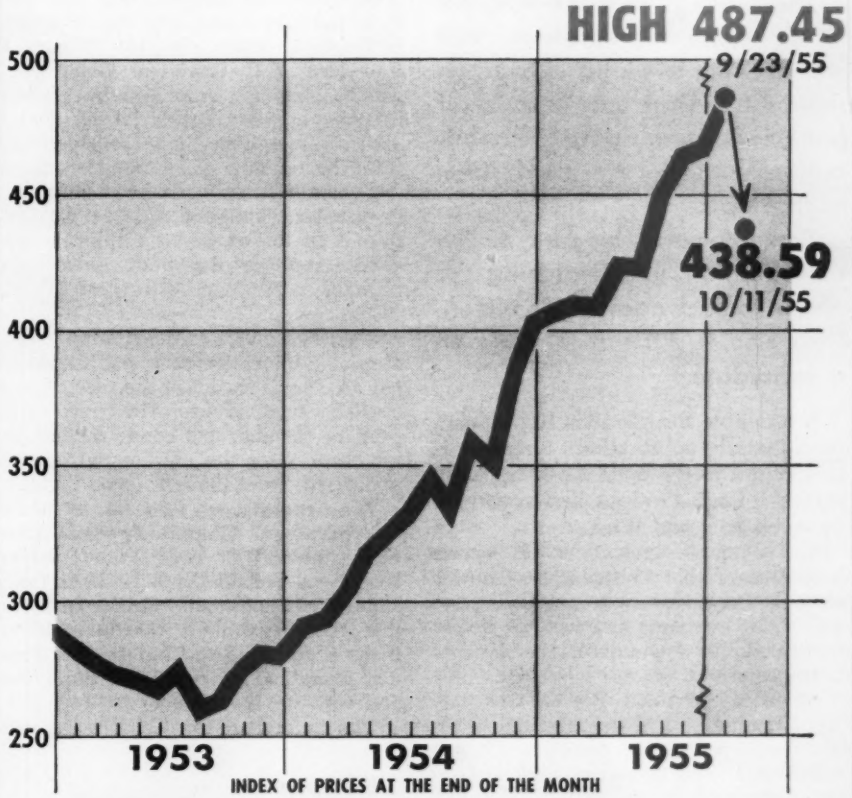
Some of the fears reflected in the stock market grow from the feeling that chances of a Democratic victory in 1956 also bring a likelihood that the New Deal philosophy will come back.

Finally, there was the condition of the market itself. Before the President became ill, stock prices had advanced at a rapid rate. Prices had been pushed to a point where the dividend yield was low, only slightly better than the yield from high-grade bonds. Production, employment, volume of trade, incomes and profits have never been higher, but investors also took a look at debt, wondered whether it was too high, and decided to trim their sails.

This new attitude of caution shows signs of persisting in the period ahead.

LOSS IN THREE WEEKS ERASES 25 PER CENT OF TWO-YEAR GAIN

(Dow-Jones Average of 30 Industrial Stocks)



WHY INVESTORS GOT WORRIED

1. **Uncertainty in politics replaced certainty.**
2. **Government controls over lending began to pinch.**
3. **The boom's future became a bit less clear.**
4. **Businessmen, watchful, showed signs of a "wait and see" attitude.**
5. **Markets abroad, partly in sympathy, headed down, too.**

What had seemed like a sure thing in business now had its uncertainties. Boom prices for stocks caused many investors to decide that yields were low in relation to increased risk.

© 1955, By U.S. News Pub. Corp.

AFTER EISENHOWER BOWS OUT—

An Eastern Bloc Will Try to Stop Nixon

The word is that Ike will not try to name his successor, will just indicate the kind of man he should be. That leaves a lot of politicians gunning for the nomination, with Vice President Nixon in the lead.

Eastern party leaders dislike the situation, are searching for a man to back against Mr. Nixon. They find it difficult to settle on a candidate.

A scramble for the 1956 Republican presidential nomination already is breaking into the open. In these early stages, it begins to look like a struggle between East and West.

The scramble grows out of reports from Denver that President Eisenhower not only will withdraw from politics, but will do so without an effort to dictate the selection of a nominee at the National Convention next year.

At most, informed Republicans say, Mr. Eisenhower will describe the qualifications of a desirable successor. Then it will be left to party leaders, under Chairman Leonard Hall, and to the Convention to choose a man who fits the President's description.

Thus, the President's wishes are expected to exercise a negative influence. They will tend to block the candidacies of men whom Mr. Eisenhower would consider unacceptable. They would not have the effect of forcing the nomination of any particular individual.

Within this framework, situations are developing rapidly both in the East and the West.

California muddle. Only a few days ago, California had four possible Republican candidates, one of whom was Chief Justice Earl Warren, concededly a formidable vote getter. Mr. Eisenhower's reported decision to endorse no one tended to remove Mr. Warren from consideration at once.

The Chief Justice is firmly opposed to leaving the Supreme Court to re-enter the political field. His friends have said that only direct, personal pressure from the President could possibly persuade Mr. Warren to quit the bench. That pressure is not expected to be forthcoming.

So California quickly was left with three possible candidates: Vice President Richard M. Nixon, Senator William F. Knowland and Governor Goodwin J. Knight. Soon, Governor Knight stumbled into a whopping political error that is widely thought to have removed him from the running on a national basis.

Governor Knight declared himself a favorite-son candidate, said he intended to seek control of the big California delegation through the State presidential primary next June, regardless of Mr. Nixon's wishes or plans.

The Governor was deluged with criticism, so much so that politicians began to count him out of the race. He still could make trouble for Mr. Nixon in the primary election, if it comes to that, but his chances for the presidential nomination, itself, were thought to be slight.

Then there were two. So, for practical purposes, California's possibilities were reduced to two: Vice President Nixon and Senator Knowland. As things stand, well-informed Californians say that these two must decide which of them is to make the bid for the Presidency and which one is to stand back and wait for the future.

The point that the Californians make is that, if both were to seek the nomination vigorously, the State would be divided. The State's effectiveness at the Convention thus would be diminished. California might lose what has seemed a good chance of getting the presidential nomination.

Both Mr. Nixon and Mr. Knowland are ambitious. Both are young, Mr. Nixon 42, Mr. Knowland 47. Each has time. For the present, neither is saying a word about his political plans.

From the time that the President was stricken, however, Mr. Nixon's name has been the first to be mentioned in any speculation as to next year's Republican nominee. This is because, as Vice President, he has participated in all Administration councils. In addition, he has made a host of friends among State and county leaders the country over. Presumably, he would fit Mr. Eisenhower's description of an acceptable successor.

Perhaps, Mr. Knowland would not. As Republican Floor Leader of the Senate, he has supported Mr. Eisenhower's domestic program nearly all the time. He and the Chief Executive have had their differences on foreign policy, however, particularly as it pertains to the Far East. Meanwhile, Mr. Knowland's silence

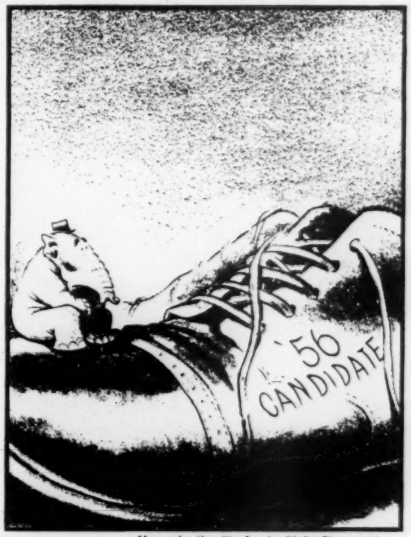
—United Press

REPUBLICAN CHAIRMAN LEONARD HALL
. . . no dearth of candidates

CARTOONISTS VIEW THE REPUBLICAN QUANDARY . . .

—Pletcher in the Sioux City Journal-Tribune

"EERIE SOUND"



—Hesse in the St. Louis Globe-Democrat

"WHO ELSE COULD WEAR IT?"

—Pletcher in the Sioux City Journal-Tribune

"HAT-FILLED SKY"

It begins to look like a struggle between East and West

as to his 1956 plans, in the nature of things leaves Mr. Nixon the foremost Republican presidential possibility.

Action in the East. Against Mr. Nixon, however, a formidable force is developing. It is the Eastern wing of the party. Its roots and branches extend right into the White House. One by one, it is trotting out potential rivals for Mr. Nixon. Its membership includes Sherman Adams, The Assistant to the President.

The first Eastern trial balloon went up for Secretary of the Treasury George M. Humphrey. He is an industrialist with an old-fashioned belief in private enterprise. Businessmen like him.

Mr. Humphrey, however, never has run for public office. Moreover, he is 65, a few months older than Mr. Eisenhower. The Humphrey trial balloon is credited with a quiet collapse.

Now, the Easterners are taking some soundings on behalf of Christian A. Herter, Governor of Massachusetts, an old friend of Mr. Adams and one of the architects of the foreign program that is part of the President's policy. As a member of the House of Representatives, Mr. Herter directed studies that led to the Marshall Plan. He helped write the foreign-affairs plank on which Mr. Eisenhower ran in 1952.

Against Mr. Herter the point is made that he was born in Paris, of American parents. Whether that would square with the constitutional requirement that a President be a "natural born" citizen of the U. S. is a question that never has been settled. He has shown himself a good vote getter in Massachusetts but is little known outside the State. Observers note that the Herter idea has struck few early sparks.

Mr. Stassen and others. Harold E. Stassen, a perennial candidate, and a White House aide highly regarded by President Eisenhower, now is drawing the attention of the Easterners. His job is that of drafting a disarmament plan.

Mr. Stassen has been in national politics since 1940, when, as the young Governor of Minnesota, he led the successful Convention fight for the nomination of Wendell L. Willkie. During this time he has been known as a Republican "liberal."

As in previous presidential years, Mr. Stassen already has announced that he is available for the Presidency. His record probably would be satisfactory to the President and to the Easterners. The Stassen ball has not yet started to roll, but it could gain momentum.

The name of Thomas E. Dewey, former Governor of New York, who got the nomination twice, and twice lost the election, keeps bobbing up in all discussions. He has close friends and old associates highly placed in the Eisenhower Administration. He remains a power in New York Republican politics.

Mr. Dewey's friends say he is not to be regarded as a candidate, that he is quite happy in his New York law practice, not eager to return to politics. But some politicians see a very remote possibility that the 1956 Convention might nominate him again.

There also is recurrent talk of Milton Eisenhower, the President's brother. The idea is that the name alone would be worth an outpouring of votes. It is not forgoten, however, that Milton Eisenhower was an official of the Agriculture Department, working closely with New Dealer Henry A. Wallace back in the '30s. Many consider that too great a political handicap.

Paul G. Hoffman, the first director of the European Recovery Program, a former industrialist who is close to the President, gets occasional mention, but not too seriously. Mr. Hoffman is not widely known, never has campaigned for political office.

Privately, the Eastern group omits the names of such Senators as Everett M. Dirksen, of Illinois; John W. Bricker, of Ohio, and Joseph R. McCarthy, of Wisconsin. The last two are regarded as members of the old "conservative" group now out of control in the party. Mr. Dirksen has made gestures toward the Easterners, but has not been accepted by them.

East and West. So, thus far, the Easterners have failed to light any fires with the names of their potential candidates. Perhaps, some think, it could come down to a contest between Mr. Nixon and Mr. Stassen. Or the Eastern group may have to be content with naming a vice-presidential candidate to run with Mr. Nixon. He remains in the lead, but both places on the ticket are up for grabs in the months ahead.

How hogs—and what corn-belt farmers get for them—could affect Republican chances in '56 is related on page 27. Big Three in the battle for the Democratic nomination—page 73.

Will Ike Choose Surgery? Doctors Differ on It

The President himself will have to decide whether a new-type operation, to restore his heart, is worth the risk.

Decision is postponed by his doctors now, probably will be made next spring. Extent of danger involved: no one is sure yet.

The nation's No. 1 patient, taking an active interest in his case, asks to be briefed by doctors, bans withholding of secrets.

President Eisenhower may yet decide to undergo the delicate surgery being suggested by some specialists as a way to bolster his damaged heart.

The decision, in the end, will be his own.

The physicians attending Mr. Eisenhower have consulted at length about an operation. The decision was not to recommend it. It was agreed, however, that the question should be laid before the President himself, probably four or five weeks from now, after he is moved to his farm at Gettysburg, Pa.

To operate or not. Although Mr. Eisenhower's own physicians think an operation is not necessary, some men close to him consider it entirely possible that, after hearing all the facts, he will decide to have it done anyway.

They figure it this way: If he becomes convinced that his choice is between leading an inactive existence and risking an operation, he might very well choose to take the risk.

One of them put it like this: "It's hard to say. Ike is a man who will make up his own mind about it. He will go into the subject 100 per cent. But remember he is also a man who puts a lot of weight in what his advisers say. He will think about it a long time."

The physicians expect that the President will seek the answers to a lot of questions such as these: Will surgery mean that he can live a more active life than he could without it? Will it lengthen his life? What are his chances of surviving an operation?

Mr. Eisenhower will have trouble getting conclusive answers. There is very little information on the subject. The relatively few surgeons who have performed operations for coronary thrombosis, the President's ailment, can only cite their own experiences. Probably not more than 1,000 such operations have been performed on human beings, although hundreds of thousands of persons each year have heart attacks.

Ike quizzes doctors. From the time he was well enough, Mr. Eisenhower has been asking countless questions about heart disease and his own particular case. He is becoming a kind of lay expert on heart trouble. His doctors do not yet let him read medical literature. But when he begins his convalescence at his farm, he will be given all the books and magazines on the subject that he wants.

One of the first things he wanted to know after his attack was his chance of a complete cure. Dr. Paul Dudley White, the heart specialist who was called from Boston to attend him, told Mr. Eisenhower that, of his thousands of coronary patients, many had recovered so well they could go back to their jobs and hobbies.

What about golf and fishing? the President asked.

Dr. White told him it would be spring before he might play 18 holes of golf. Perhaps before that he might do a little putting, or play just a few holes.

Dr. White said he might start fishing again after a few weeks' rest at Gettysburg. This pleased the President.

Mr. Eisenhower has shown only a mild interest in his medicines. But, when some were discontinued, he wanted to know why.

"Golly, am I that well? Don't I need those pills any more?" he asked. The doctors explained what the pills were used for and why they had stopped prescribing them.

The President likes to look at his electrocardiograms. After the daily cardiograph—the checking of his heart that is done with a machine—he is shown the record made from it, the cardiogram. Previous cardiograms are brought out, and the doctors explain what the variations in them mean. The President asks about all the details. He takes the same interest in his X rays.

—Wide World

THE PRESIDENT WAVES FROM HOSPITAL TERRACE
. . . the patient asks a lot of questions

A new treatment. When the President gets around to questioning his doctors about the advisability of an operation, he will learn that heart operations in cases like his are relatively new. The first ones on human beings were performed about 16 years ago.

Most doctors feel that the work is still experimental. The surgeons who perform the operations report excellent results.

What Mr. Eisenhower decides will be announced promptly, if White House policy on the President's illness continues as it has in the past. Mr. Eisenhower himself has insisted that the country be kept informed in detail concerning his condition.

A final decision will not be made until next spring at the earliest. That is the soonest the surgeons think the operation should be performed—if it is.

HOGS CAN'T VOTE, BUT—

They'll Play a Role in '56 Just the Same

The price a farmer can get now for hogs—down nearly 50 per cent since mid-1954—is becoming a big political issue.

Republicans, seeing cash returns dwindle for most farmers in nine key States, are recalling the 1948 election outcome.

Then, unhappy farmers gave Truman six Midwestern States, with 101 electoral votes. Had Dewey gotten them, he would have won.

DES MOINES, Ia.

The lowly hog at this time is a major source of worry to the Republican Party. You even hear the opinion expressed that the hog—and what he brings in the market place—may well decide the national election in 1956.

Hog prices have nose-dived in recent months. As you will notice by the chart on this page, a 200-pound hog that sold for $56 in April, 1954, would bring today only about $30.

This fact, in very practical terms, means less cash for large numbers of farmers in Iowa, Illinois, Indiana, Ohio, Wisconsin, Minnesota, Nebraska, Missouri and South Dakota. And politicians say it is an axiom that loss of income often is blamed on the party in power.

Memories of 1948. The farm revolt that was credited with swinging the election to President Harry S. Truman and the Democrats in 1948 is still vividly recalled by Republicans. That year farmers in the corn-hog belt, reportedly angered by the failure of a Republican Congress to provide storage for surplus corn, gave President Truman a majority in six important States—Minnesota, Iowa, Missouri, Wisconsin, Illinois and Ohio.

If Thomas E. Dewey, the Republican candidate in 1948, had captured those six States with their 101 electoral votes he would have won the election.

Regarded as especially dangerous for Republicans in 1956 are five farm States in which the party's lead was relatively small in 1952. These are Illinois, Indiana, Ohio, Minnesota and Missouri. Combined, these States have 89 electoral votes—enough to be the margin of victory if the presidential race is close in 1956.

Some Republican leaders, mindful that time frequently solves farm problems, are hopeful that hog prices will have improved by autumn of 1956. Farmers, they hope, will cut production, thus easing the flow of hogs to market—now a price-depressing flood.

But Midwestern farm economists say the prospect is for little, if any, improvement in hog prices in the 12 months just ahead. These observers say this bearish outlook is based on the fact that there are few alternatives that offer profit to hog farmers. If they turn to beef or dairy cattle, they are likely to upset markets in which supply and demand are now in a somewhat shaky balance.

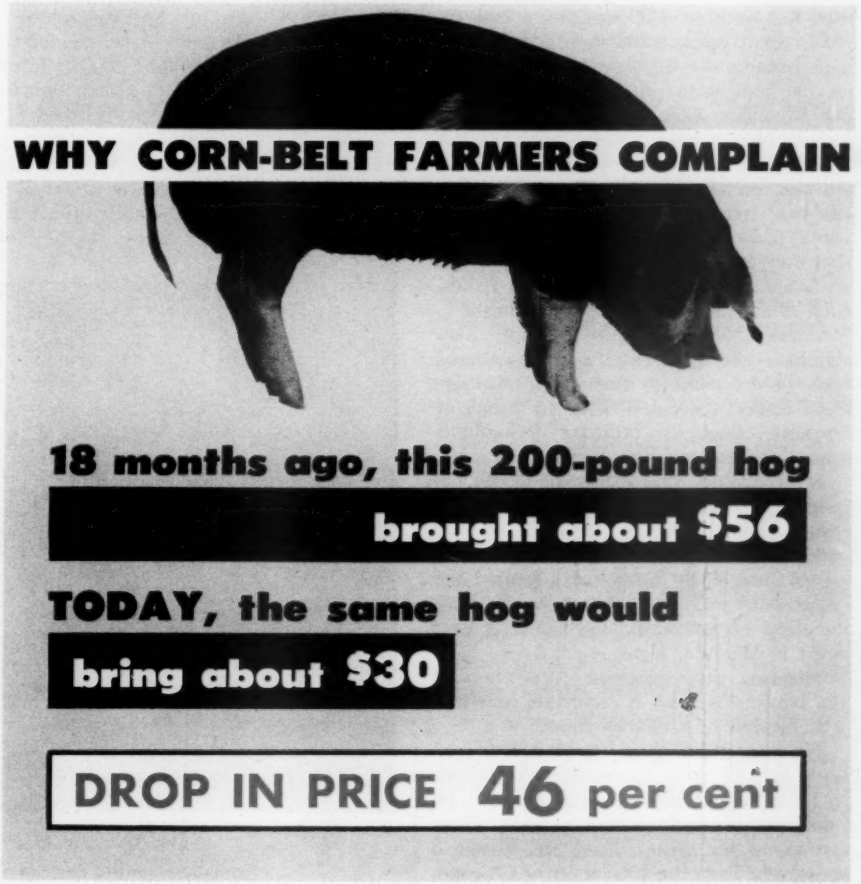
A price boost? It is against this background that the Republican Party makes its bid for votes in the corn-hog belt in 1956. Farm-State Republicans, many of whom oppose the conservative policies of Agriculture Secretary Ezra T. Benson, say something must be done to give hog prices a healthy boost. Their argument goes like this:

The Republicans go into the election with the knowledge that the South and most of the big cities will go Democratic. Therefore—the argument runs—Republican chances of victory turn largely on winning a solid bloc of farm-belt States. And, in farm States where there are large cities, even a slight shift of farmers to the Democratic Party could spell disaster for Republican candidates.

Subsidies opposed. In favor of more conservative action are those Republicans who agree with Mr. Benson that high prices through subsidies are not in the long-run interest of farmers.

Thus the lowly hog today finds himself getting the closest attention in high political and governmental circles.

A preview of the Republican answer to the farm problem is given by Vice President Nixon—page 77.


WHY CORN-BELT FARMERS COMPLAIN
18 months ago, this 200-pound hog
brought about $56
TODAY, the same hog would
bring about $30
DROP IN PRICE 46 per cent

© 1955, By U.S. News Pub. Corp.

WHY EAVESDROPPING ON JURIES—

Some People Want to Change Whole Trial System

The latest in "reform" movements involves "wire tapping" of jury rooms.

Tapped wires and wire recordings gave interested professors, judges and lawyers all of the conversations, arguments and decisions of juries in six federal cases—without the jurors' being aware of it.

The idea has been to tap in on jurors in every State, find out how the system might be "improved."

Then the lid blew off, when Senators learned about it. Now juries, at least in federal courts, probably will be protected by federal law against eavesdropping.

The system of trial by jury, as old as Anglo-Saxon justice, is coming under the eye of "reformers" who feel that something should be done about it.

Right of an accused person to trial by a jury of his equals goes back to medieval days. So does the jurors' right to complete privacy while deliberating a verdict. British kings attacked these rights from time to time without lasting effect. The system itself has weathered all assaults.

In recent years, a few American judges have become dissatisfied with the way the jury system works, particularly in cases not involving crime. Some conservative lawyers have become alarmed, fearing that juries were becoming too generous in granting damages in lawsuits. Some other lawyers, mostly of left-wing political views, have criticized juries on the ground that they are swayed too much by popular sentiment when trying emotional issues, such as the prosecution of Communists.

Views have been advanced that jurors should receive psychiatric and educational tests before serving, that many damage cases could be decided better by panels of "experts" than by ordinary individuals whose names are drawn by lot.

It is against that background that a group of people supervised by two professors of law from the University of Chicago, Edward H. Levi, dean of the law school, and Harry Kalven, Jr., tapped the supposedly private deliberations of juries deciding six cases in a federal district court in Wichita, Kans.

Hidden microphones were behind the heating system. A recording machine was hidden in a nearby room.

Jurors, without their knowledge or consent, had all their conversation recorded, to be replayed, listened to and edited by outsiders. Recording was expertly done by one of the group, Fred Strodtbeck, a sociologist from the University of Chicago, and jurors who had been listened to were later interviewed personally.

The wire-tapping operation, according to testimony, was carried out with the prior agreement of Judge Delmas C. Hill, in whose court the trials were held. Consent to listen to the jury was given by attorneys on both sides of each case that was recorded.

Orie L. Phillips, chief judge of the Tenth U. S. Circuit Court of Appeals, knew in advance that juries were to be listened to. Judge Phillips held the view that the jurors should be told about it, that their permission should be obtained.

Judge Phillips, however, did not expressly forbid recordings without the knowledge of the jury.

Recordings of actual deliberations are part of a much bigger probe, by the University of Chicago group, into the whole institution of juries.

Judges and juries are being questioned.

Questionnaires have been sent to about 1,400 former jurors in the Tenth Circuit —an area composed of Colorado, Kansas, New Mexico, Oklahoma, Utah and Wyoming. Each former juror is questioned to find out how well he understood the law case in which he served on the jury. Paul Kitch, a Wichita corporation lawyer, headed a lawyers' committee conducting this phase of investigating jury behavior. Mr. Kitch also told the Senate Internal Security Subcommittee that he initiated the project for recording jury deliberations.

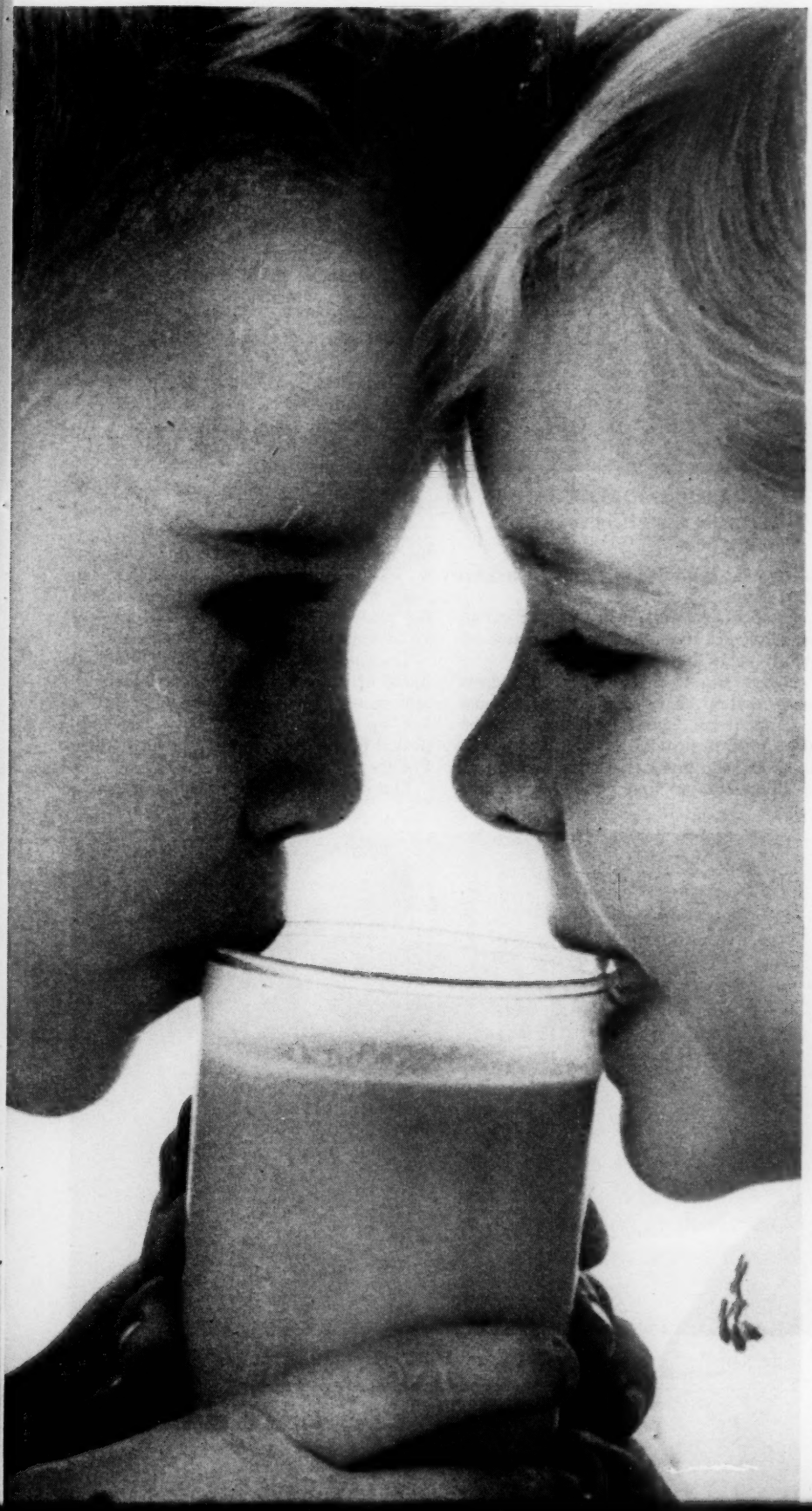
Verdicts compared. Judges, when presiding over a jury trial, are being asked

(Continued on page 30)

—USN&WR Photo

SENATE SUBCOMMITTEE HOLDS HEARINGS
Congress seems certain to legislate against jury tapping

You'll wish your father could have bought one for you!



Buying your youngsters New York Life's new WHOLE LIFE coverage NOW—at children's low rates—gives them low-premium protection for life . . . or funds for their education, home or career!

Think what it might have meant to you if this modern life insurance had been available when you were a child—and your father had started a plan for you.

Premium rates for new Whole Life are so low for youngsters that many fathers today can easily afford the minimum face amount of $10,000. And the premium *stays the same* no matter how long the policy is kept in force!

Cash values build rapidly so that by the time your boy or girl reaches college age, funds will be available to help pay the cost. If the cash isn't needed then, and premium payments are continued, cash values keep building. So even more money may be available later to get him started in business . . . or help him buy a home. Or after he has taken the policy over, he may keep it in force to provide protection for his own family—even to provide for retirement!

Say you have a son age 10. The monthly premium for $10,000 of Whole Life is only $11.00. At 30, his policy would have a cash value of $2,655*. At age 65 the value would be $12,735*—or pay him a lifetime income of $78.45 a month with payment guaranteed for 10 years certain.

Give your children this opportunity to get a head start on their future. Ask your New York Life agent or mail the coupon for details.

*Includes all dividends accumulated with interest on basis of the Company's 1954 Dividend Illustrations—not a guarantee, estimate or promise of dividends or results.

This policy not available in New York prior to age 10, or in Canada with immediate insurance protection prior to the fifth birthday.

The New York Life Agent In Your Community Is a Good Man To Know

NEW YORK LIFE

INSURANCE COMPANY

Dept. U-15, 51 Madison Avenue
New York 10, New York

(In Canada: 320 Bay Street, Toronto, Ontario)

Please send me more information about your New Whole Life policy for my children — minimum amount $10,000

NAME _____ CHILDREN'S AGES _____

ADDRESS _____

CITY _____ ZONE _____ STATE _____

[continued]

WHY EAVESDROPPING ON JURIES

PAUL KITCH
. . . wanted to tap 500 juries

–USN&WR Photos

FRED STRODTBECK
. . . did the actual recording

to write down the verdict they would give if the case were being tried without a jury. This is then compared with the actual jury verdict. Differences between judges and juries are being looked for.

Simulated jury trials are being held in an attempt to see how well jurors can grasp facts.

People in Peoria, Ill., a city of 112,000 population, are being sifted to see what the public thinks of juries. The idea is to find out, if possible, whether Americans as a whole are satisfied, or dissatisfied, with the jury system.

This whole project, including secret listening to jurors, is being financed through grants from the Ford Foundation totaling 1.4 million dollars. The researches were planned as a thorough look at the whole system of trial by jury. The reason, in the words of Professor Kalven, was to search for "ways for making the system more effective."

Jury tapping, in the original concept as described by Mr. Kitch, was to extend to juries all over the U. S. Ten or more juries in each State, a total of 500, were to have their supposedly private deliberations recorded. The eavesdropping upon juries in Wichita was seen only as a starter. People in the project now testify that the first idea was modified, that only a few juries were to be listened to.

An estimated 1 million or more persons called each year for jury service in the U. S. would have been targets, summoned by courts for jury duty with the chance that their private expressions about a disputed issue and the persons involved in it would be recorded through a hidden microphone.

Prospective jurors, at least those called for service in federal courts, soon will be able to relax, however.

Next: ban on tapping? Congress seems certain, at its next session, to pass a stringent law against eavesdropping on juries, and to provide severe punishment for those who break that law.

"I'll guarantee that you'll not do any more 'bugging' after Congress has passed some legislation," Senator James O. Eastland (Dem.), of Mississippi, told Professor Kalven. Senator Eastland heads the Internal Security Subcommittee which last week investigated the Wichita incidents. His views are supported by a Republican Senator, William E. Jenner, of Indiana, and by Attorney General Herbert Brownell, Jr.

Cases in the Wichita federal court on which the reformers eavesdropped were typical of those which come up regularly in courts all over the U. S.

Twenty-one cases were up for trial in Wichita between March and June, 1954. Three were criminal cases, in which thieves were convicted and sent to prison. The researchers steered clear of listening to any jury deliberate upon a criminal case. Instead, it concentrated upon some of the 18 civil lawsuits tried.

The U. S. Government was involved in four of these suits. The U. S. condemned 1,731 acres of land in northwestern Kansas, offered to pay a total of $253,145 for it. The landowners sought more. In each case, the jury agreed with them, raised the price to be paid by the Government an average of more than 20 per cent.

Damage suits brought by individuals made up the rest of the docket. Defendants won eight of these cases. Of the six lost by defendants, two have been appealed to the circuit court in which Judge Phillips is the chief judge.

Out of these 18 civil suits, the research-

–USN&WR Photos

HARRY KALVEN, JR., AND EDWARD H. LEVI
. . . they supervised the recording project

ers listened to the jury in six cases—some involving the Government, the others, damage suits between private parties.

Secrecy was supposed to surround what was going on. Jurors did not know about it. The researchers set up elaborate methods to keep the recordings under lock and key, and to eliminate names and other identifying clues from the written transcripts made from the microphone recordings. Only a relative handful of judges, lawyers and researchers were supposed to know that jury tapping was going on at all.

How the leak came. More people found out about the project later. Judges and lawyers began to discuss it with their colleagues. Some favored listening to juries, others bitterly opposed it.

The circle of those who knew widened at a judicial conference in Colorado. An abridged version of what one jury said was played for lawyers and judges there. Most of those at the conference came from the six-State Tenth Circuit. Others also were present, including some well-known legal figures.

Tom C. Clark, Associate Justice of the U. S. Supreme Court, heard the edited record. So did Simon E. Sobeloff, Solicitor General of the United States. Mr. Sobeloff's job is to argue U. S. Government cases before the Supreme Court. Last summer, President Eisenhower nominated him as a U. S. circuit judge, but the Senate so far has not confirmed the nomination.

Many other important things in Government are done behind closed doors or are otherwise shielded from full public view. Why, then, all the outcry when news of jury tapping leaked out? Why was a Senate Committee so ready to uncork the whole affair, for the public to see?

The answers come from the deep reaches of history. The jury system evolved painfully among English-speaking peoples. The practice of requiring 12 men to reach a unanimous verdict was settled in English law a century before Columbus sailed. Absolute privacy for jurors, while engaged in reaching a verdict, took root in common law at the same time because jurors were being fined or jailed for refusing to agree to verdicts they did not believe in.

Jury defied king. A jury in the American colonies, in 1735, was able to defy the power of the king's royal governor who sought a libel conviction against John Peter Zenger for publishing news about official corruption. The jury acquitted Zenger and established an important foundation of press freedom.

One of the complaints raised against George III in the Declaration of Independence was that in some cases he was

(Continued on page 32)

Where does the banker bank?

Over 700 of them bank with First of Atlanta. They choose the bank that knows their problems, and how to meet them. If you have a problem about the dynamic new South, first check the folks who know the South . . .

THE First NATIONAL BANK OF ATLANTA

NINETY YEARS AND ONLY THE BEGINNING 1865 90 1955

THE FIRST NATIONAL BANK OF ATLANTA

The bank that knows its neighbors

MAIL TODAY

Dept. B-5

The First National Bank
Atlanta 2, Georgia

You may know the banking business, but how do I know you know the South? Prove it by sending me information on_____

Name_____

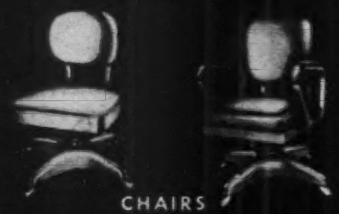
Address_____

City_____ Zone____ State_____

Steel Office Furniture
BETTER BUILT FOR BETTER BUSINESS

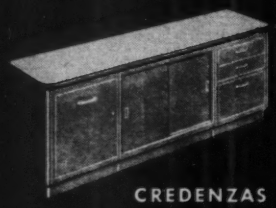
DESKS

Smartly styled...quality built. Easily converted to suit the work needs.



CHAIRS

Quality office chairs styled and built for comfort. Swivel, Side, Arm and Posture types for every office need.



CREDENZAS

Solve your executive office storage problems with these dignified, attractive units. Custom-built for you.

FILES

Step up office efficiency. Drawers open and close easily and quietly. Sizes and types for every filing need.

•

Write for complete information and name of nearest dealer. Simply write your name and address in margin below and attach to your letterhead.

ALL-STEEL EQUIPMENT INC.
Aurora, Illinois

[continued]

WHY EAVESDROPPING ON JURIES

depriving people of the right to jury trials. This right was preserved in the Bill of Rights to the Constitution, applies to civil as well as criminal cases. A similar pattern is followed in State constitutions.

The U. S. Supreme Court has upheld the right to secrecy of jury deliberations. The loser in a lawsuit found that a jury had used improper means to set damages against him, sought to put a juror on the stand to tell about it. The lower court refused to allow this and, in a 1915 decision, the Supreme Court upheld the refusal.

If a juror was permitted to impeach his own verdict by telling what went on in the jury room, the Supreme Court held, "the result would be to make what was intended to be a private deliberation, the constant subject of public investigation . . ."

The jury is held by legal scholars to be of vast importance for one main reason: It is the way in which ordinary citizens can stand between the will of a powerful Government and an ordinary citizen.

The jury system, however, has seldom lacked for critics and reformers. Agitation for less-than-unanimous verdicts was heard in England at the end of the Napoleonic wars, 140 years ago. The same agitation was heard in the U. S. 60 years ago. Some leading members of the American Bar Association and an Associate Justice of the Supreme Court favored this modification. Some States now accept such verdicts in civil suits.

A main advocate of changes in the jury system, in recent years, is Judge Jerome N. Frank. Judge Frank, once a corporation lawyer in Chicago, was appointed general counsel of the Agricultural Adjustment Administration in 1933, left during the 1935 "purge" of a so-called "left wing" group in the Agriculture Department, later headed the Securities and Exchange Commission. President Roosevelt appointed him in 1941 as a judge on the U. S. Circuit Court of Appeals for New York, Vermont and Connecticut.

Judge Frank has urged abolition of all jury trials in civil cases and limitation of the use of juries in criminal trials.

—Bettmann Archives

1735: THE TRIAL OF JOHN PETER ZENGER
. . . a landmark in the history of the jury system

Debates among lawyers and judges, about improving or changing the jury system, have been going on quietly behind scenes, becoming more intense during the last five years. Much of this debate is carried on in private conversations, in discussions among members of bar associations, and in the pages of learned journals with limited circulation.

Discovery that juries have been listened in on with secret devices, as part of a program that seems to point toward change in the whole jury system, has suddenly brought the whole question into public view.

Changes in the jury system are not likely to result. Instead, it seems probable that Congress will make a crime of all forms of eavesdropping on juries, spell out another safeguard to protect the jury system as it now exists.

The most beautiful way to give rare bourbon

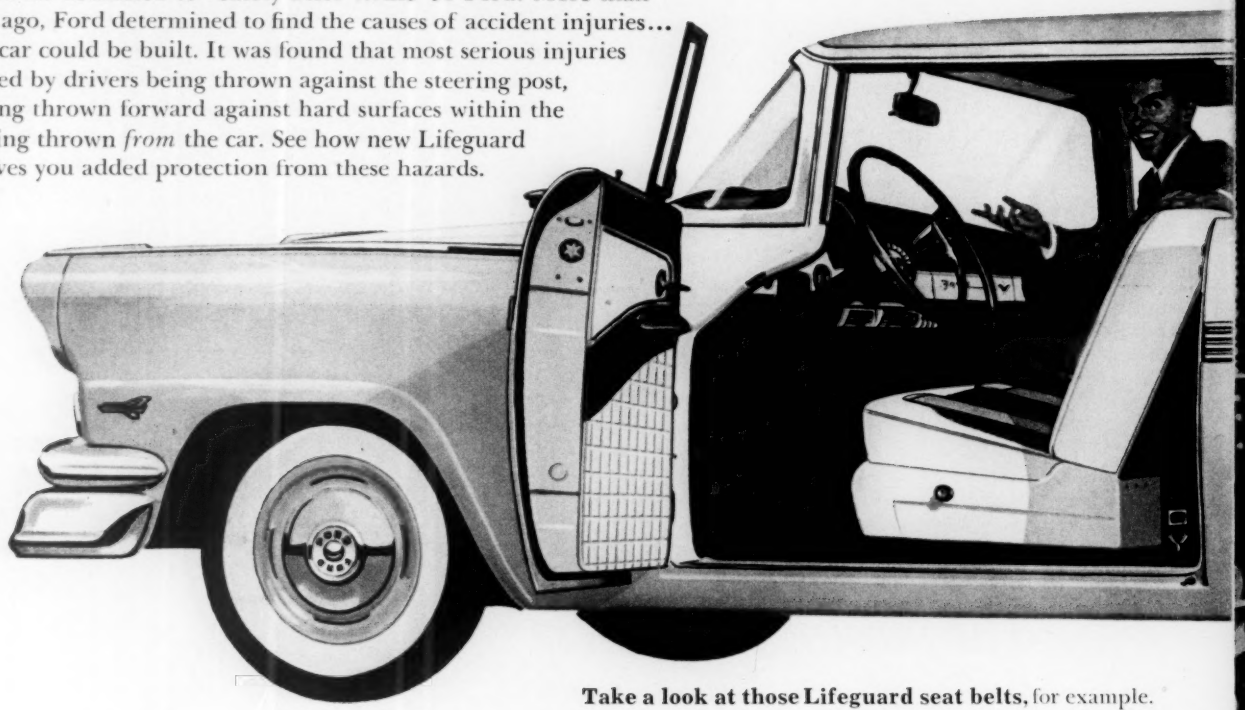
"HEAD OF THE BOURBON FAMILY"

The Old Grand-Dad Classic Decanter costs no more than the standard bottle. It contains the same amount of the same rare bonded bourbon.

TO BOURBON FANCIERS you can make no finer gift than rare Old Grand-Dad, in the Classic Decanter. You give the one whiskey they would themselves select, in the most beautiful of all decanters.

KENTUCKY STRAIGHT BOURBON WHISKEY · 100 PROOF · BOTTLED IN BOND
THE OLD GRAND-DAD DISTILLERY COMPANY, FRANKFORT, KY. · DIVISION OF NATIONAL DISTILLERS PRODUCTS CORPORATION

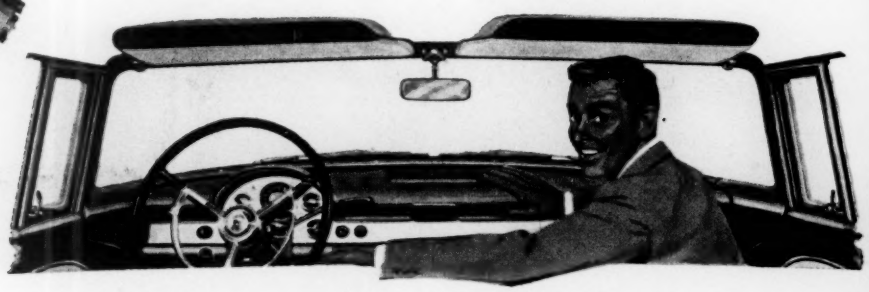
At last! A car dedicated to "Safety First"...the '56 Ford! More than two years ago, Ford determined to find the causes of accident injuries... so a safer car could be built. It was found that most serious injuries were caused by drivers being thrown against the steering post, riders being thrown forward against hard surfaces within the car, or being thrown *from* the car. See how new Lifeguard Design gives you added protection from these hazards.



Take a look at those Lifeguard seat belts, for example. Firmly anchored to the floor, ⅓ stronger than aircraft requirements, easily adjustable with one hand, these optional belts keep you and your passengers from being thrown from the seat in accidents.

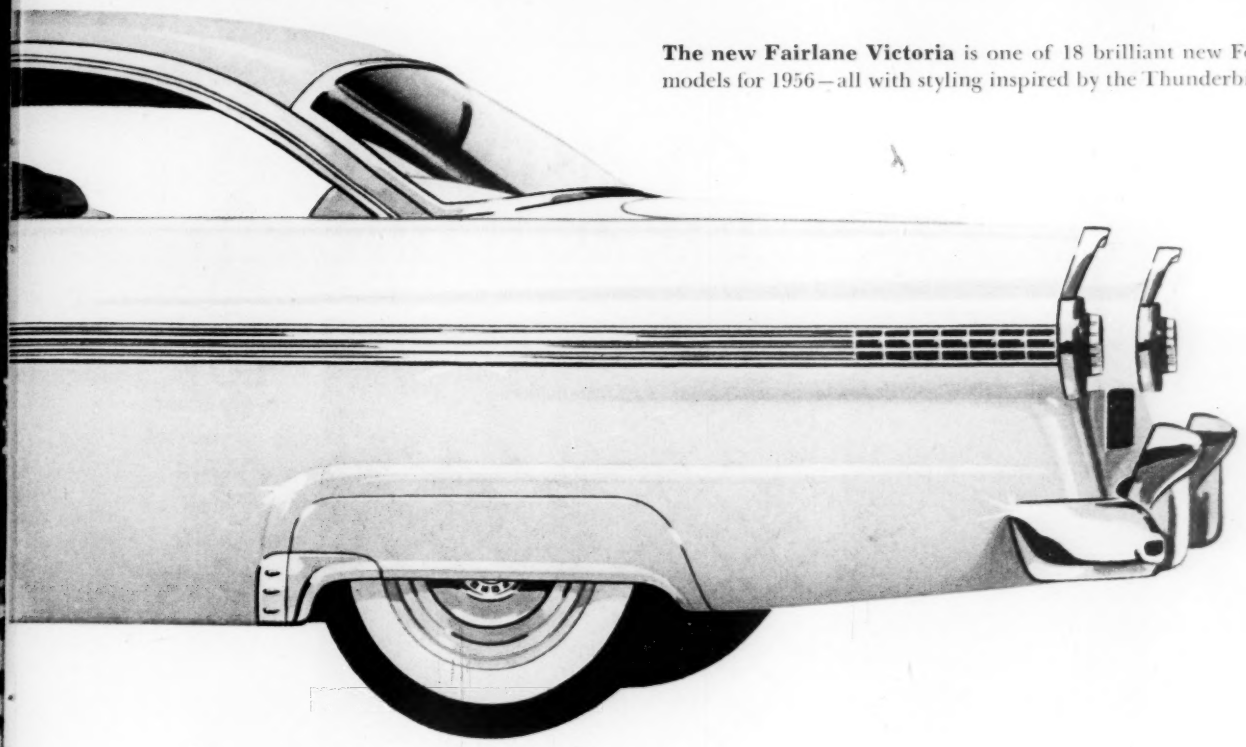
Let's take a look at in the '56 FORD

New Lifeguard steering wheel is mounted over three inches above the steering post. Its new deep-center construction acts as a cushion to provide extra protection from the post should you be thrown forward in a sudden stop. It's as good looking as it is practical...and it's standard in all models. But there are more ways in which Ford protects you.



New Lifeguard padded sun visors are optional in all '56 Fords. They are made of a special impact-absorbing material similar to the padding available for the instrument panel. The two new visors cover practically the entire width of the windshield header...give new protection against head injuries.

New Lifeguard padded instrument panel, offered in combination with Lifeguard sun visors, provides additional protection for front seat passengers. Tests show that one inch of this padding material is so effective in absorbing impact that an egg can be dropped on it from a roof without breaking.



The new Fairlane Victoria is one of 18 brilliant new Ford models for 1956—all with styling inspired by the Thunderbird.

Lifeguard Design

New Lifeguard door locks, standard on all models, have a new double-grip locking engagement to reduce the possibility of doors springing open even under strain caused by impact. Safety statistics show that the chances of serious injury are a great deal less when the driver and passengers remain inside the car in accidents.

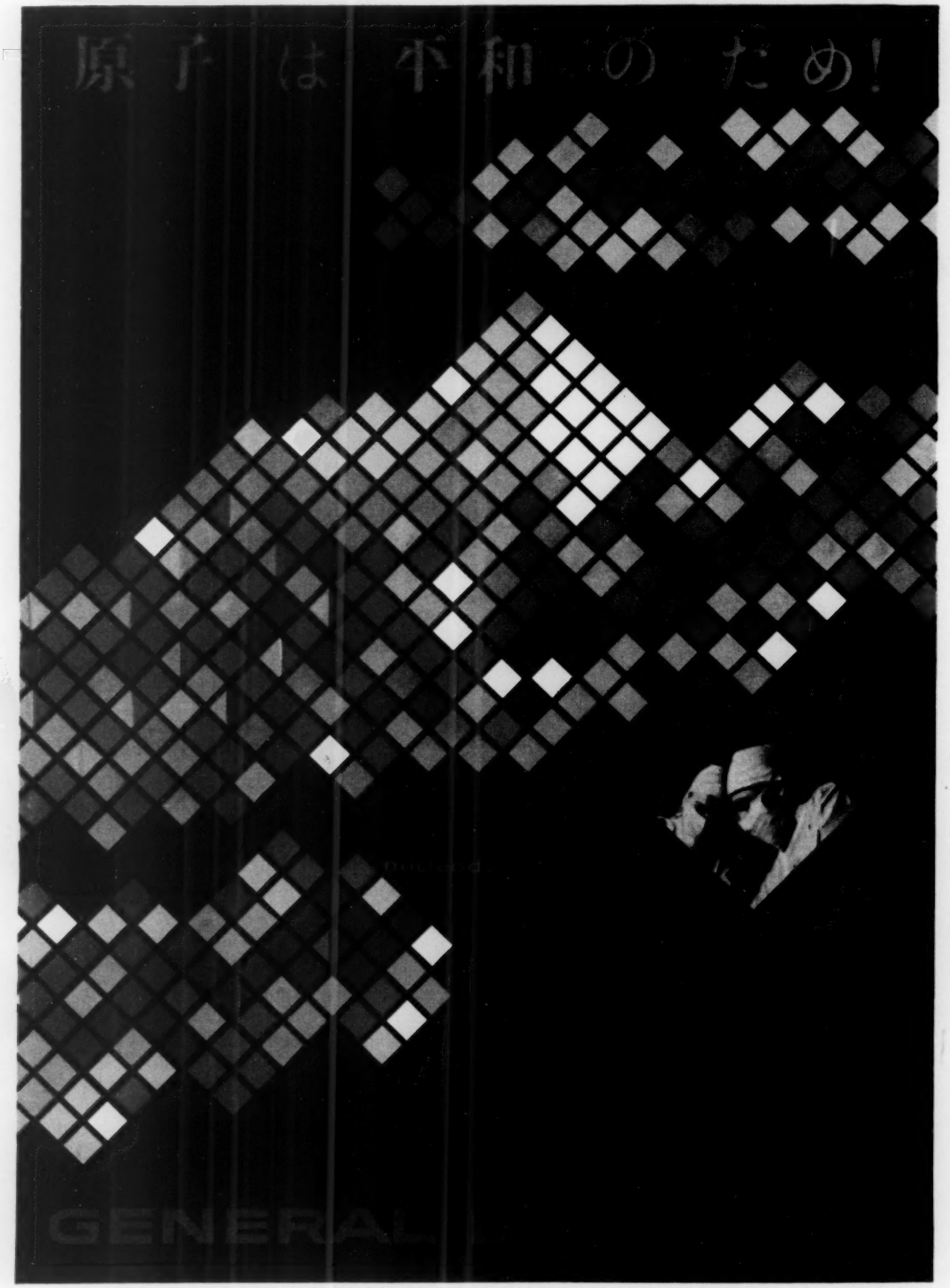
The new 202-h.p. Thunderbird Y-8 engine and all the driving fun that goes with it can be yours in the Fordomatic Fairlane and Station Wagon models. At any speed, a touch of your toe gets an instant answer. You'll pass with new confidence. Steep hills will melt. You get all this plus the reassurance of Lifeguard Design.

Lifeguard Design is only the beginning of the Ford fine-car story for 1956! You will find in Ford all the thrill and excitement of driving a car that is completely new in styling—styling inspired by the Thunderbird. What's more, you'll discover luxurious new interiors...the supreme comfort of smooth Angle-Poised ride...wonderful handling ease and convenience...quality construction and finish. When you see it...and drive it...you'll agree: Ford for '56 is truly...

the *fine* car at half the fine-car price!

FORD

Second in the "Atoms for Peace" international poster series recently displayed in Geneva by General Dynamics. Design inspired by isotope symbols used in the promising new field of nuclear medicine.



GENERAL DYNAMICS CORPORATION • 445 PARK AVENUE, NEW YORK 22 N Y

GD GENERAL DYNAMICS

C-L CANADAIR LIMITED

EB ELECTRIC BOAT

GA GENERAL ATOMIC

ED ELECTRO DYNAMIC

C-V CONVAIR

S-C STROMBERG CARLSON

Molotov's Boner—

A NEW CLUE TO RED THINKING: IT'S STILL TOE THE MARK OR ELSE

It seemed laughable at first—that odd spectacle of the Soviet Foreign Minister being forced to apologize in public.

Molotov's apology, however, is turning out to hold much significance for the West.

Diplomats see in it new evidence that Communist doctrine remains unchanged.

Present Soviet rulers may talk of peace and coexistence. But Party leader Khrushchev is making it plain they are not abandoning the line laid down by Marx, Lenin and Stalin.

This means that the West is due for a big disappointment if it expects any real change in the Kremlin's aims.

Reported from
LONDON and PARIS

V. M. Molotov, the last of the old Bolsheviks, is in trouble with the Soviet leaders of today. Molotov has felt it necessary publicly to admit error in his description of the Soviet state as it now exists.

When Molotov, the Foreign Minister, was forced to toe the Communist line on a fine point of party doctrine, the meaning was profound.

One thing that it means is clear: In today's Russia, even though Stalin is gone, Communist doctrine retains all of its former rigidity. Deviation is not excusable, even for one who has done as much for Communism as Molotov. All of the tenets that have governed Communism—from Marx through Lenin to Stalin and on to Khrushchev and Bulganin—remain sacrosanct, even though occasionally they may be slightly modified. The Molotov incident proved that.

The new Bolsheviks, in effect, are re-emphasizing the importance of basic Communist doctrine.

This fact, in turn, is taken to mean that Western statesmen who see a big change in Russia with Stalin's passing are doomed to disappointment. Nikita S. Khrushchev, Secretary of the Communist Party's Central Committee, as much as said that when he exclaimed publicly last month:

"We are in favor of a relaxation of tension, but if anybody thinks that for this reason we shall forget about Marx, Engels and Lenin, he is mistaken. This will happen when shrimps learn to whistle."

Molotov's apology only emphasized the Khrushchev pronouncement.

The error. What Molotov said, that required an apology, seemed innocent enough on its face. He merely said that "the foundations of a socialist society have already been laid" in the Soviet Union. (The full text of his statement appears on page 38.)

What made this a heresy is: According to official Communist Party doctrine, more than the foundations of a socialist society have been laid—a socialist society has already been built.

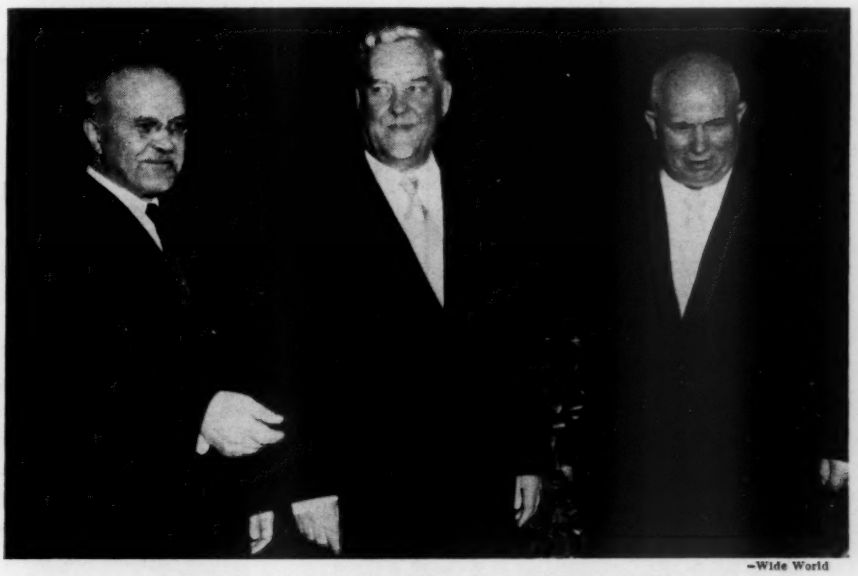
The present Soviet Constitution, adopted in 1936, says flatly: "The Union of Soviet Socialist Republics is a socialist state of workers and peasants." The late Marshal Joseph V. Stalin, in the same year, declared: "Our Soviet society has already, in the main, succeeded in achieving socialism; it has created a socialist order."

Now Molotov has learned that Stalin's words are still Communist law.

The significance of this fact, when it is applied to Soviet foreign policy, is great.

Some Western statesmen, for example, see in Molotov's apology a strong indication that the Kremlin is not going to soften its hard grip on satellite Communist countries, as applied through the

(Continued on page 38)



—Wide World

MOLOTOV WITH BULGANIN AND KHRUSHCHEV
. . . no retreat from basic doctrine

NOW
Your choice of shapes in popular RED typists' erasers
SINGLEX
New 1207 in modern pencil style for single letter erasures. Sharpens like a pencil, too!
Both contain the same soft red eraser compound.

"6587"
Van Dyke Disc shape —America's leading typist eraser
So Gentle
as smooth working on carbons as originals
Trademarks Reg. U.S. Pat. Off.
Since 1849
EBERHARD FABER
puts its quality in writing
NEW YORK • TORONTO

[continued]

NEW CLUE TO RED THINKING

Cominform, an international organization of Communists.

Yugoslavia recently suggested dissolution of the Cominform, arguing that smaller Communist nations should be allowed more independence, instead of being forced to slavish imitation of Russia as the only true teacher of Communism.

Molotov's original statement, implying that Russia, too, was only building socialist "foundations," might be construed to favor such an argument. But Molotov's apology is being taken to mean that Russia is reasserting its claim to be the only true prototype, the only nation where socialism actually has been achieved.

Such a stand, as some Western analysts see it, indicates that the Kremlin intends to reject the Yugoslav suggestion, and will continue to use the Cominform to impose Soviet-type Communism on all satellites.

The doctrine. Some Westerners, as a result, are taking a closer look at what Soviet-type Communism means.

When the Communists insist, for example, that a socialist society already has been achieved in Russia, a study of party doctrine makes it clear that this does not mean that Communism has reached its goal, even in Russia.

According to Communist doctrine, a socialist society is only a stage in the transition from capitalism to Communism. A socialist society, as defined by Communists, is one in which classes have been eliminated, property which is used for production has been transferred from private to state ownership, and the entire economy is controlled and directed by the state.

Stalin called a socialist society only "the first, or lower, phase of Communism." He said: "The fundamental principle of this phase of Communism is the formula 'from each according to his ability, to each according to his *work*.'"

It is this phrase—"according to his work"—that is now being used by Communists to justify the conditions under which Russians are forced to labor. It explains the "piecework" system under which Russian workers are paid not by the hour but by the work they turn out.

Effect on workers. With this phase, too, the Communists explain the fact that, even in a so-called classless society, pay scales vary widely and manual labor is still the poorest paid.

Many Westerners, studying the Soviet labor system, once were surprised to find that the spread in individual incomes in Russia is similar to that in capitalist countries. Now it is being realized that this follows the Communist pattern, that this is what Stalin meant when he said, "Socialism is something already achieved" in Soviet Russia.

Westerners who used to think of Communism as promising equality, assuring every worker that he would be paid "according to his *needs*" are finding that Soviet leaders have developed a dogma to explain that, too.

Stalin explained it this way:

"Soviet society has not yet reached the higher phase of Communism—'from each according to his ability, to each according to his *needs*'—although it sets itself the

THE MOLOTOV STORY IN BRIEF

What Mr. Molotov Said:

"Together with the Soviet Union, where the foundations of a socialist society have already been laid, there are also such people's democratic countries which have made only the first but quite important steps toward socialism." (From a speech to the Supreme Soviet on Feb. 8, 1955.)

Why Mr. Molotov Apologized:

The Communist Party maintains, officially, that the Soviet Union already has established a socialist society, not just laid the foundations for one.

In his apology, Mr. Molotov "confessed" the "error" of his February 8 statement and said:

"This erroneous statement leads to the incorrect conclusion that a socialist society has not yet been built in the U.S.S.R. . . . This does not correspond to reality and is at variance with numerous evaluations of the results of socialist construction in the U.S.S.R. published in party documents."

aim of achieving the higher phase of Communism in the future."

It is this "higher phase" that is described in Communist language as the true "Communist state." The difference between it and the "socialist state," as Communists explain it, is this: When a Communist state is achieved, everyone will have learned to produce, voluntarily, "according to his ability." Production, as a result, will have increased to the point where there is an abundance of everything. And then, Communists say, everyone can take out of the total production not just what he has earned, but all that he needs.

This goal, even the Communists admit, is still far in the future for the Soviet Union.

Effect on state. Another Communist goal, it is being noted, also has been officially postponed. And the postponement is regarded as indicating a long continuation of the Kremlin's repressive rule.

The goal that has been postponed is the "withering away" of the state, or Government, that Marxists once forecast.

Lenin explained the "withering" theory this way:

"The state will be able to wither away completely when society can apply the rule 'from each according to his ability, to each according to his needs,' that is, when people have become so accustomed to observing the fundamental rules of social life and when their labor is so productive that they will voluntarily work according to their ability . . ."

But a new precondition has been set before the state can be allowed to "wither away." Now, Communist spokesmen say, the state must be preserved until

(Continued on page 40)

—Sovfoto

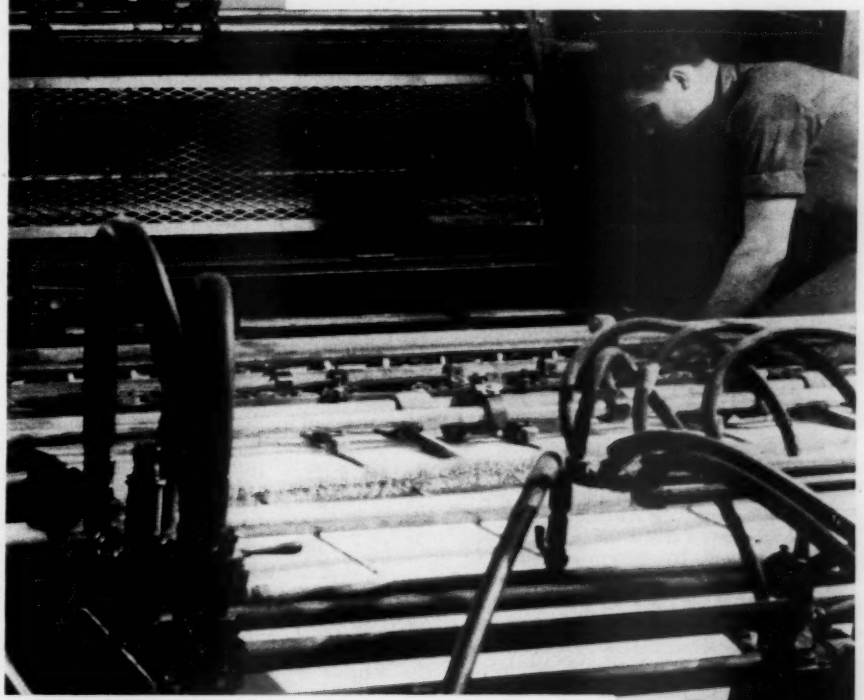
JOSEPH STALIN
His words are still law

WHERE PROFITS ARE IN PRINT

St. Louis

A Great Place to Do Business

St. Louis is the fifth largest commercial printing center in the nation, with an over-all output of more than 45 million dollars annually. As a center for offset-lithography, St. Louis ranks third nationally. Backing up its press facilities, St. Louis offers unexcelled production services and equipment. In the number of people employed, St. Louis printing rates high among the industries in this center of diversified industry . . . St. Louis, nearest major city to the U. S. center of population, is at the *center of activity* in business.



. . . with a Great Bank to Help You!

Your association with First National Bank in St. Louis not only speeds your business transactions . . . it identifies you, as well. And with the information provided by First National—whose directors hold key positions in St. Louis business—you'll find it's easier to plan ahead. First National is at the *center of activity* in St. Louis!

Inquiries are cordially invited. Address the Industrial Service Department.

1ST
THE FIRST
NATIONAL BANK
IN ST. LOUIS

FIRST NATIONAL BANK in ST. LOUIS

Member Federal Deposit Insurance Corporation

LEGAL LIQUOR VS LETHAL LIGHTNIN'

by
J. P. Van Winkle
President
Stitzel-Weller
(Old Fitzgerald)
Distillery
Louisville, Kentucky
Established 1849

A 3-cent tax on tea once dumped three whole shiploads into Boston Harbor.

Twenty-one years later, a 7-cent tax on whiskey almost touched off a *second* Revolution.

Since that famous "Tea Party" of 1773 and the "Whiskey Rebellion" of 1794, the authorities seem to have by-passed tea as a taxable beverage.

But the bite is still on whiskey!

Your tax today is $10.50 a gallon—854% increase since 1933. In fact, 56 cents in every whiskey dollar goes for taxes of one sort or another.

What's the result?

In spite of our growth in population and buying power, the distilling industry is a "sitting duck." High taxes have priced us out of reach of many customers.

Does this mean the country is drinking less? Far from it!

The moonshiner picks up where the tax-paying distiller leaves off. Last year 22,913 illegal stills were destroyed by revenuers—one for every 2,088 American males of drinking age.

And those were only the stills *caught!* How many *more* continue to brew their lethal lightnin', is anybody's guess. Enough, say the experts, to cheat the government out of $735 millions yearly.

Legal Liquor *expects* to be taxed. But not to the extent that our customer friends are penalized, while a whole new generation of cheats and gangsters pursue their nefarious trade.

Excise taxes are now up for revision. If the views expressed here make sense, please send me a postcard saying so. I will forward it to *your* congressman, asking that he give us both a fairer shake.

If you are one of the inner circle who has already discovered the excellence of my specialty, OLD FITZGERALD, I promise that you will benefit to the full extent of any tax reduction our joint effort may help to bring about.

Bonded 100 Proof Original Sour Mash Kentucky Straight Bourbon

[*continued*]

NEW CLUE TO RED THINKING

capitalism is eliminated in other countries as well as in Russia.

Stalin, in 1950, explained it like this:

"Soviet Marxists, on the basis of a study of the world situation in our times, have arrived at the conclusion that with the existence of the capitalist encirclement, when the socialist revolution has won only in one country while in all other countries capitalism predominates, the country of the victorious revolution must not weaken, but must in every way strengthen its state, the state organs, the organs of the intelligence service, the Army, if that country does not want to be smashed by the capitalist encirclement."

This official modification of Marxist doctrine, it is being noted, allows the Kremlin a long time to continue its rigid rule, and justifies, by Communist logic, the maintenance of strong military forces.

With old Marxist doctrines now being re-emphasized, Western students of Communist tactics are remembering some other Communist doctrines. They are finding that these doctrines, which so alarmed the West when they were laid down by Marx, Engels and Lenin, have never been repudiated—in fact, have been repeated by Soviet leaders throughout the years. And now, as Khrushchev makes clear, they are not to be forgotten until "shrimps learn to whistle."

Communism vs. capitalism. One old Communist principle being remembered is that socialism and capitalism cannot coexist indefinitely, and that conflict between them is inevitable.

This was the line set by Marx and Engels when, in 1848, they declared:

"The Communists disdain to conceal their views and aims. They openly declare that their ends can be attained only by the forcible overthrow of all existing social conditions."

Lenin, discussing capitalism, said it "could not under any circumstances, on any condition, live side by side with the Soviet Republic . . . a conflict is inevitable." Again, he repeated, "As long as capitalism and socialism exist, we cannot live in peace."

Stalin, in 1925, put it in these words: "Who will conquer whom? That is the whole question."

Coexistence. Since Stalin died, his successors in the Kremlin have been talking of peace and coexistence with capitalism. That is the line pursued by Khrushchev and the Soviet Premier, Marshal Nikolai A. Bulganin. It has led to talk of disarmament and has induced some Western statesmen to favor a relaxation in the build-up of military preparedness.

But now Molotov's apology and its clear implications are causing some Western statesmen to restudy the situation. They are recalling such statements by Stalin as this:

"We cannot forget the saying of Lenin to the effect that a great deal in the matter of our construction depends on whether we succeed in delaying the war with the capitalist countries, which is inevitable but which may be delayed. . . ."

This strategy, it is being noted, follows another Communist precept laid down by Lenin:

"The strictest loyalty to the ideas of Communism must be combined with the ability to make all the necessary practical compromises, to tack, to make agreements, zigzags, retreats and so on, in order to accelerate the coming into power."

THE DIFFERENCE BETWEEN "SOCIALISM" AND "COMMUNISM"

A socialist society, in official Communist terminology, is one in which this formula for production and distribution has been established: "From each according to his ability, to each according to his **work**." Such a society, the Communists claim, already has been achieved in the Soviet Union.

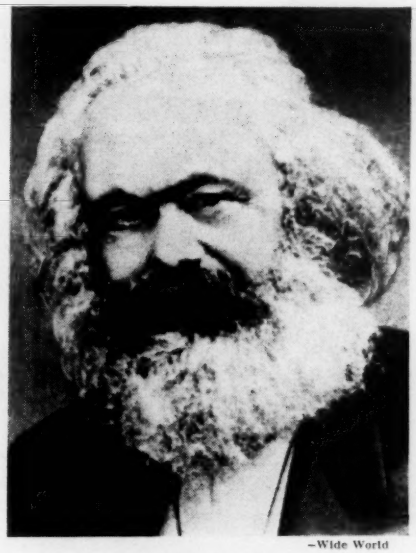
A Communist society, officially the next goal, is described by Communists as one in which improved production has created such an abundance that each worker can be rewarded not just "according to his **work**," but "according to his **needs**." Such a society, Communists admit, is still to be reached in the Soviet Union.

Such statements as these, their continuing validity reaffirmed by recent developments, are now being compared by diplomats with the new talk of peace.

Molotov on way out? Also being wondered by Western diplomats is what effect Molotov's ideological error may have on his own political future.

An old Bolshevik who had survived many twists and turns of Soviet policy, Molotov was regarded as one of the least likely among present-day Soviet rulers to be tripped up on party dogma.

Molotov was an old-time follower of Stalin. He was once Stalin's Premier, and for many years he has guided Soviet foreign policy. While Foreign Minister, he became notorious in the West as the master of the diplomatic double cross.



—Wide World

KARL MARX
His teachings are still sacrosanct

Now Westerners are wondering: Is Molotov himself getting the double cross from his partners in the Kremlin? Is he being readied for dismissal, or demotion —or worse?

What may happen to Molotov, however, is regarded by some Western analysts as not the most important effect of his apology. What, in their view, is most significant is the clear notice that Moscow's "new look" hides the same old Communist aims.

For inside views on Soviet Russia, see a report by Robert F. Kennedy, page 62, and interviews with 13 touring Congressmen, starting on page 100. For an official view on U. S. policy toward Russia, see extracts from an address by Secretary of State John Foster Dulles, page 128.

Rockwell Report

by W. F. ROCKWELL, JR.
President
Rockwell Manufacturing Company

IT ALWAYS SEEMS STRANGE TO US that people express surprise at the length of time we have been associated with the same advertising agencies, insurance counselors, patent attorneys, and other professional service organizations.

Perhaps the reason we do so little changing in those important relationships is that we always do a great deal of looking *before* we establish them in the first place.

Naturally we look for a high order of professional ability. But we regard other factors, human factors, as just about equally important. Attitudes, approach to the job, beliefs—all the things that form a philosophy of working and living—can have a tremendous effect on the productiveness of the purely professional competence required.

What we look for, actually, is a blending of professional ability and personal compatibility.

When we have found that, we know we have the beginning of a partnership, not merely a buyer-supplier relationship. And we gain confidence in the people concerned to the same degree that we place confidence in them. We make them as much a part of our business as possible. We disclose and discuss facts, figures, hopes, and problems to a far greater degree than is usual. They and we come to think as a team.

If we have selected wisely, we have gained loyal and productive partners who work with us toward common goals, growing as we grow.

Such relationships just naturally last a long time. And we have found that the longer they last, the more humanly satisfying and financially profitable they become for everyone concerned.

* * *

Construction is now under way on our new plant on a 30-acre site at Russellville, in the south central portion of Kentucky. Russellville is the sixteenth community in which we will have plant facilities. One interesting feature of the new building will be its advanced type, natural gas air conditioning system.

* * *

One of the very important advantages of water metering is the conservation of water, which is becoming a more serious national problem every day. In that connection, our meter and valve division has made available, for distribution by water departments, printed cards dramatizing the high cost of leaky faucets, showers, etc. This information, while not new, is always startling. For instance: A faucet leaking 1/32" stream wastes 5,400 gallons of water a month; a 1/16" stream wastes 21,600 gallons; and a 1/8" stream forces you to pay each month for 108,000 gallons that you don't use.

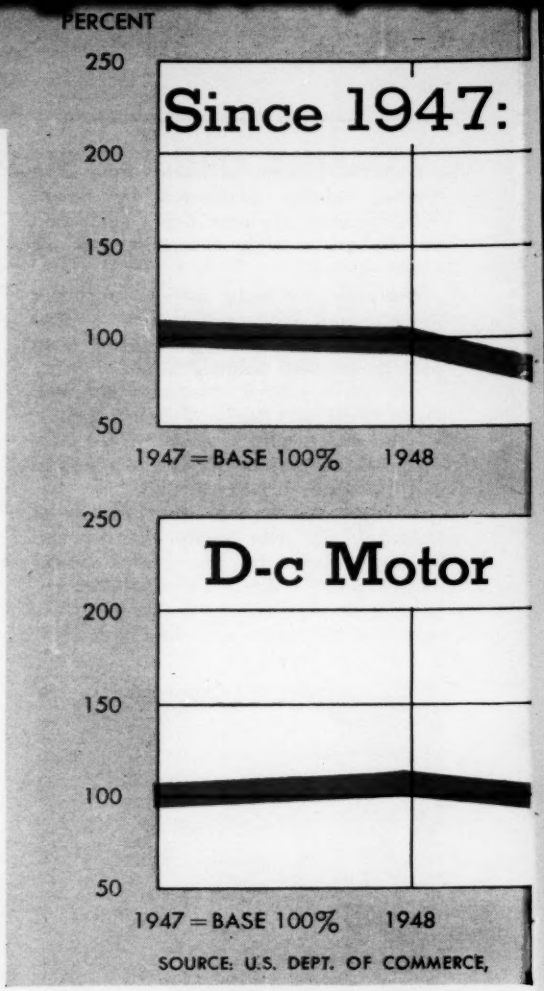
* * *

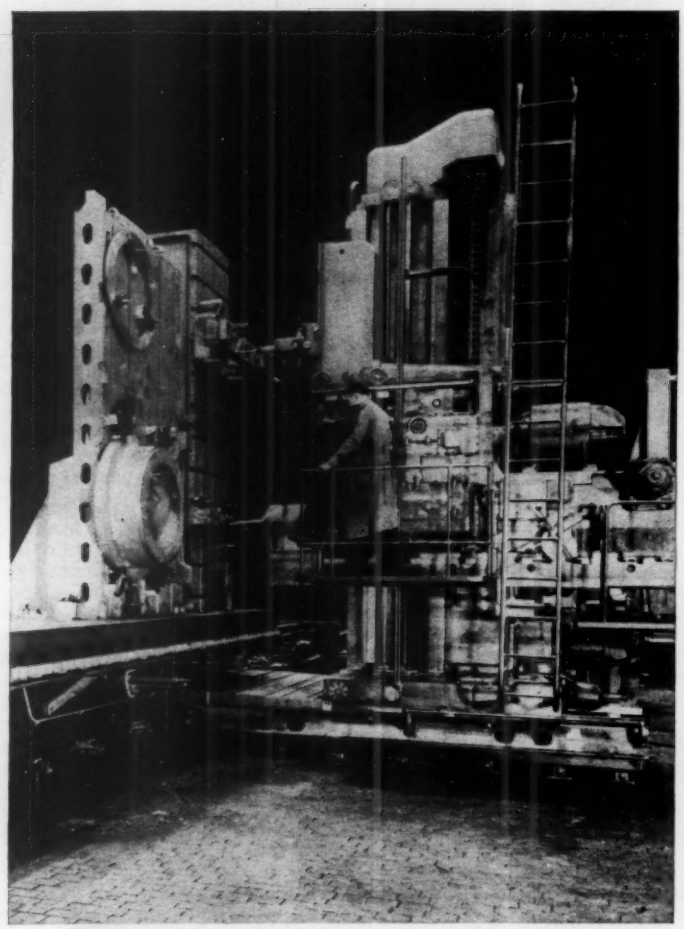
New Rockwell products: During the past sixteen months, our Delta Power Tool Division has introduced seven basic product innovations in its industrial wood and metal working lines alone. Perhaps the most newsworthy new product was the advanced Delta 11" Metal Lathe, result of five years of laboratory and field development. The latest is a new saw-jointer combination for commercial woodworking and builders . . .Our Register Division has developed a new electrical impulse contactor that can activate open-close electrical circuits at varying rates up to 1,500 times per minute to actuate electronic and electromagnetic counters, totalizers, recording printers, etc. . . . A new line of Rockwell all-bronze meters provides added protection against contamination and discoloration. The new bronze meters are especially recommended for metering alcohols, brine, water, ketones, organic esters, sugar solutions, syrups, and rocket fuel.

One of a series of informal reports on the operations and growth of the
ROCKWELL MANUFACTURING COMPANY
PITTSBURGH, PA.
for its customers, suppliers, stockholders and other friends

PROGRESS IN DIRECT CURRENT DRIVES

- U.S. industry is trending to automatic processes and machines . . .
- And statistics show a big upswing in d-c motor purchases.
- General Electric meets demand for high-output production equipment.





AUTOMATIC MACHINES like this boring mill use d-c drives for accurate speeds, faster output. Irregular, three dimensional shapes are machined automatically to close tolerances.

D-c Drives:

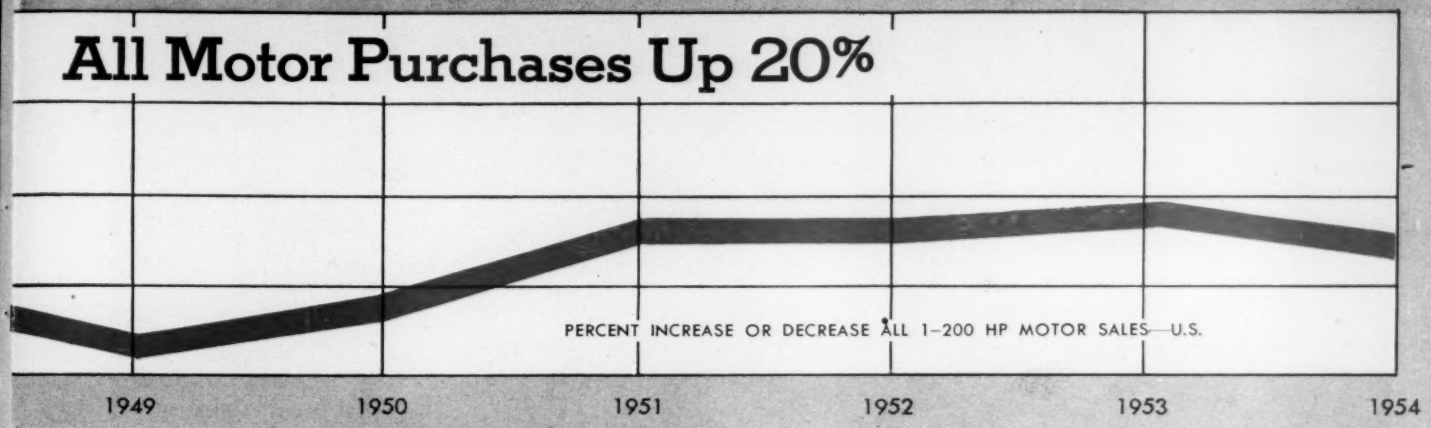
U.S. industry is moving steadily toward mechanization, automatic machines and processes—to produce more and better goods. As a result, new and unique methods of mass production are constantly being developed.

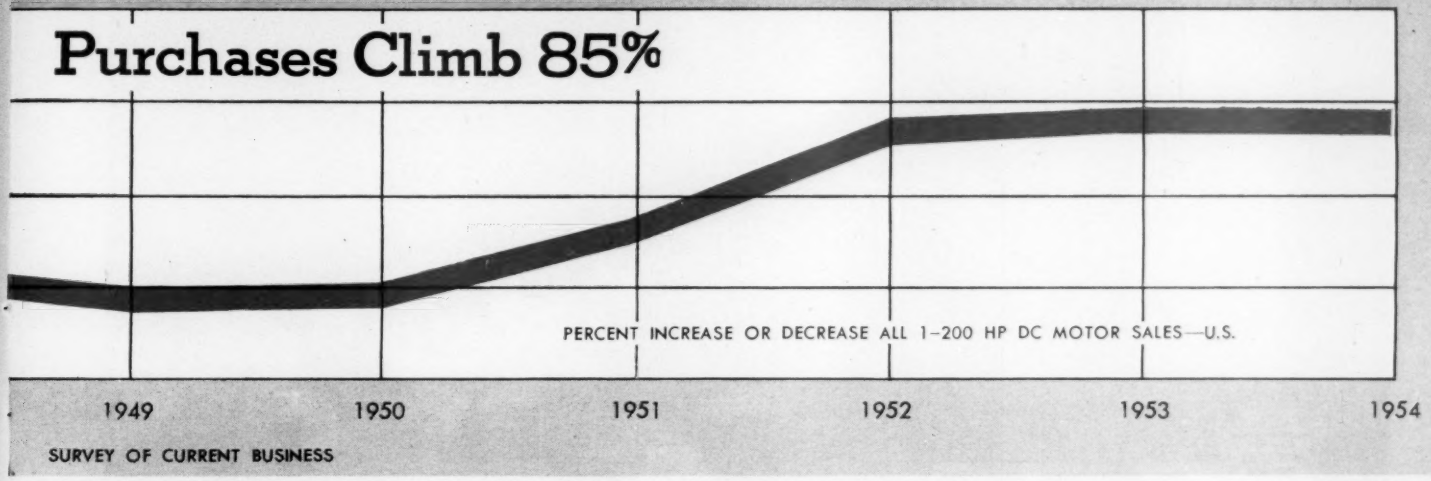
Statistics show this trend to more automatic means of production is increasing the demand for direct-current drives (graphs).

• **Reasons**—Industry has a tough job ahead. If it is to meet an increased demand for goods and services of at least 40% by 1964, with a predicted increase of less than 13% in work force, further mechanization and more continuous processing is necessary. D-c equipment provides the versatility and sensitivity required to meet future high productivity levels.

• **Why D-c for Automatic Processing?**—Thousands of recent applications dramatically show why d-c drives are ideal for automatic and continuous processes. For instance, in manufacturing rubber-coated tire fabric, the process begins with a multitude of cord spools unwinding at high speeds. After racing through several

(Advertisement)





The Answer to Automatic Production

different processes, each requiring varying rates of speed, the completed product is wound up on another set of spools. The entire operation, driven by adjustable speed d-c equipment, is automatic—from start to finish.

• **Adjustable Speed**—The drive for this production line must do two things: 1. Adjust operating speeds at various stages of the process for proper cord tension. 2. Adjust speeds to accommodate a variety of cord sizes and types. The ability to meet these demands—fast and accurately—explains the trend to direct-current motors. There is no device yet discovered that is a better, more universal source of precisely controlled adjustable speed.

• **D-c Power Readily Available**—Although few utilities supply d-c power directly, the many advantages of d-c drives should not be ruled out when considering expansion or modernization. With packaged conversion equipment—rectifiers or motor-generator sets—d-c power supply is readily available. For instance, G-E Speed Variators convert incoming a-c power to d-c in compact cabinets which install next to driven machinery or in any convenient load-center location.

• **Cost Factor**—Although the initial investment for this type of electrical equipment is usually higher than for constant-speed drives, the versatility of direct-current drives often increases machine output and quality of finished product to such an extent that over-all investment per unit of production goes down—not up.

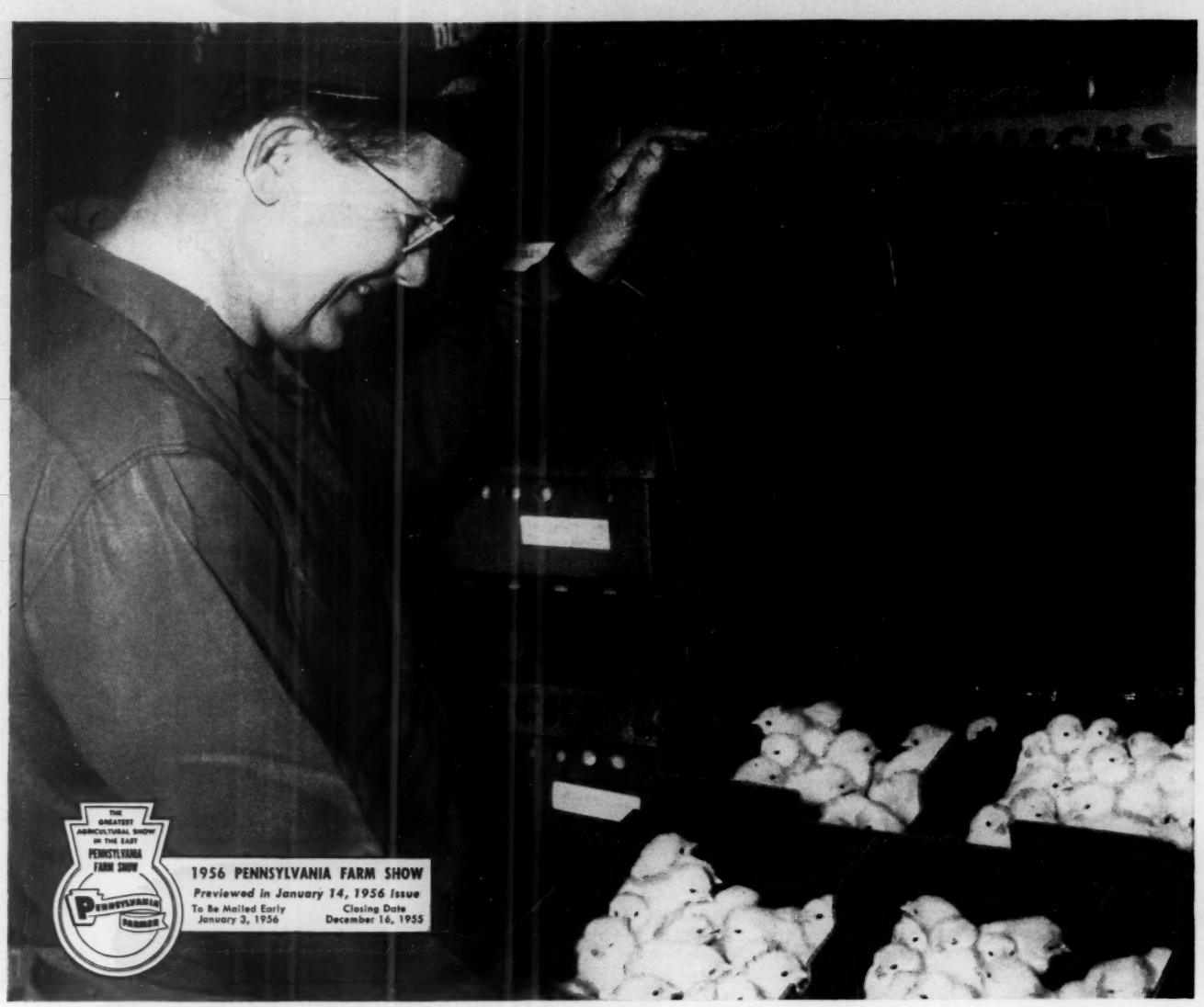
• **Notable Examples**—D-c electronic printing-press drives add production flexibility to make practical speeds of up to 210,000 newspapers per hour. In the steel industry d-c driven cold-strip mills accelerate to full speed in 10 seconds and deliver steel strip at over 70 miles per hour. D-c log-carriage drives give the lumber industry high speed operation and fingertip control for increased board feet per hour production. D-c adjustable-voltage shovel drives enable modern shovels to move up to 60 cubic yards per bite. In the paper industry d-c sectional paper machine drives provide operating flexibility needed for high-speed, uninterrupted production of quality paper.

• **New Developments**—G-E engineers are working constantly on the development of new d-c drives to meet demands of U.S. industry for faster, more automatic, more continuous production.

• **Industry-wide Applications**—D-c drives are boosting output in industries throughout the country. Companies desiring higher production can obtain equipment selection and application help from engineering specialists in 149 conveniently located G-E Apparatus Sales Offices. *Direct Current Motor and Generator Department, General Electric Company, Erie, Pennsylvania.* 818-1

GENERAL ELECTRIC

(Advertisement)


THE GREATEST AGRICULTURAL SHOW IN THE EAST
PENNSYLVANIA FARM SHOW
PENNSYLVANIA FARMER
1956 PENNSYLVANIA FARM SHOW
Previewed in January 14, 1956 Issue
To Be Mailed Early January 3, 1956
Closing Date December 16, 1955

"PENNSYLVANIA FARMER Helps Us Grow,"

Says Edwin B. Wallis, Perry County, Pennsylvania

To get ahead and keep widely diversified operations at the peak of production, 4 out of 5 Pennsylvania farm families read PENNSYLVANIA FARMER. It's the *one* magazine specially edited to their specific needs!

It's easy to put a finger on the primary reason Pennsylvania ranks as a top-third state in farm income—*complete diversification.* There are no slow seasons in Pennsylvania—just one big selling season after another. An amazing variety of products keeps income *big* and *steady* year in and year out.

Stable and prosperous Pennsylvania surely is a fertile field for the merchandise *you* sell. Place your advertising in the *one* publication that gives you the circulation you *need,* that produces the results you *want*—at surprisingly *low cost.*

Two states with similar farm income patterns are Ohio and Michigan, served by THE OHIO FARMER and MICHIGAN FARMER. It will pay you to get the facts on *all three* of these rotogravure magazines that save *you* the cost of plates. Write 1010 Rockwell Avenue, Cleveland 14, Ohio.

PENNSYLVANIA FARMER

Harrisburg, Pennsylvania

MICHIGAN FARMER, East Lansing, Michigan

THE OHIO FARMER, Cleveland, Ohio

ARE EUROPEAN CHILDREN SMARTER THAN AMERICAN?

Clash of Two Systems—Class vs. Mass Education

Parents worry about schools. Many wonder if their children really are getting a good education, if U. S. standards are slipping.

To provide a measure of these standards, *U. S. News & World Report* made a survey of schools in this country and in Europe.

What's shown by the survey is this:

- **In European schools, pupils learn more, work harder, play less than in U. S. schools.**
- **Whereas U. S. parents worry about lax standards, European parents worry for fear children are forced to work too hard.**

Typical classroom questions, taken from textbooks here and abroad, show the contrast.

Reported from LONDON, PARIS, BONN and ROME

In a Washington grade school, an 8-year-old pupil frowns over this question: "A pencil costs 4 cents. What is the cost of six pencils?"

In Paris, the textbook of a 6-year-old student has this typical question: "What is the cost of putting a fence around a rectangular field 145 meters long and 38 meters wide, if fencing costs 30 francs the meter?"

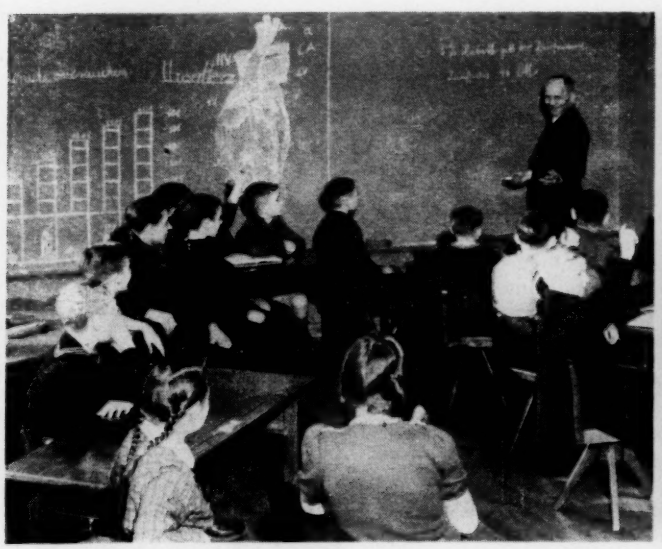
In Rome, an 8-year-old Italian boy is expected to come up with the answer to: "A bicycle's wheel has a diameter of 70 centimeters. How many meters will have been covered when the wheel has made 1,000 turns?"

In Germany, 9-year-olds have to be prepared to solve this kind of puzzler: "A box with 750 eggs weighs 52 kilograms. The empty box weighs 7 kilograms. What was the average weight of one egg? How much did 10 eggs weigh? 100 eggs?"

Right now there is a growing debate in city after city of the U. S. on whether the schools are really providing American youngsters with an education. Classroom standards are coming under the scrutiny of educators and parents. To find out how American schools compare with those of other countries, *U. S. News & World Report* checked up on textbooks, examinations and general classroom practices in all the major countries of Western Europe. This is what the survey shows:

Europe's primary schools are far more demanding on their pupils than those in the U. S., and from the first grade on. Often homework starts with the first day of school.

Classroom standards are exacting to a point almost unheard-of in America. In Europe, the lazy or backward pupil gets no breaks from his teacher. Those who cannot keep up with the class are quickly shunted to vocational schools,



WEST GERMAN CLASSROOM
. . . emphasis on scholarship

—Wide World, Black Star

AMERICAN CLASSROOM
. . . emphasis on citizenship

or—if lucky—given an opportunity to take a whole year's work over again. Complaints are made in some American cities that students are promoted before they are ready, just to make room in the overcrowded schools. That doesn't happen in Europe.

More classwork is piled on European youngsters, and the assignments are far more demanding than those which are general in the U. S. Abroad, children of 7 get the beginnings of geometry, natural science, history and grammar. Often children younger than 10 have assignments that mean three or four hours of homework on week ends—and the things they have to know are more advanced than the material being taught some high-school students in America.

For example, a recent New York State exam for high-school seniors contained such questions as: "The Federal Government obtains the largest percentage of its income from—1. Corporation income taxes. 2. Excise taxes. 3. Tariffs. 4. Personal income taxes."

This quiz-program type of question requires the 18-year-old American merely to make a choice or guess, and, if he's paid much attention to his work, the question makes a minimum demand upon his brain. European children half the age of the American high-school student don't get off with anything as easy as that.

A British pupil, 5 to 7, has to be prepared to: "Sketch a map of California, putting in all rivers and chief towns."

An Italian youngster, 7 to 9, gets classroom questions such as: "What are the marked differences between the Renaissance and the Middle Ages?"

A French pupil, 5 to 7, is expected to be able to: "Describe the functioning of a locomotive, an automobile. Give the essentials of France's traffic laws."

Brain teasers. These questions—like those listed at the start of this survey—are typical of the kind of classwork given European youngsters in public and private schools at an age when most American children are still learning to read. European schools simply don't hesitate to throw brain-teasing questions at very young children. In America, the general rule seems to be to take it slow and easy. Other problems from text books offer further evidence of this difference in approach to education.

In the U. S., a third-grader has to answer questions no more difficult than: "Was the sun higher or lower in the sky at 3 p.m. than at noon? Is your shadow longer when the sun is high or low?"

The Italian child at that age is confronted with: "How many teeth has the adult man and what are their names and shapes?"

The British third-grade pupil is asked to: "Name three insect-eating birds, three scratching birds and six birds that find their food in water."

The French lad is expected to: "Describe the phenomena of high tides and low tides. Describe the living forms that are found on a beach, on the rocks, in the sea."

In the midst of the controversy over whether American schools are doing the kind of job they should do, President Eisenhower has suggested in an informal way that high-school and college education be lengthened to five years each. The President has indicated he believes that the complexities of modern life are perhaps too great to be taught by American schools within the traditional time limits.

Abroad, there is no talk of any need for stretching out the school years. On the contrary, most European countries—including Russia—compress their highly intensified pre-college schooling into 10 years, compared to the 12 years normal in the U. S. And the European schools do this with results that are often startling. Many students at 16 have acquired an education that compares with that of an American college graduate of 20 or 22 years.

TV: no problem. One reason why European schools are able to achieve such results in such a brief time is that they keep to a minimum any activities that might distract students from schoolwork. Such extracurricular activities as dances and fraternities are rare, in colleges as well as high schools. Television is not the problem it is in America, for there are comparatively few sets in Europe. This is especially true on the Continent. The most striking difference is in sports, which have little or no place in the Continental school systems.

The American father concerned over how much time his son spends watching games or making trips out of town on a basketball team has no counterpart on the Continent. It is rare to find a school with a gymnasium. There are virtually no school teams of any kind. Interscholastic sports as they exist in the U. S. are unknown. There just isn't the time for that sort of thing. In France, for example, a child only 10 years old puts in 45 hours a week in school and on homework. The grind gets worse each succeeding year. The student has a minimum time for sleep, to say nothing of play.

Britain is one overseas country where the local educators have no strong feeling that their system is tougher or necessarily better than the American system. But it is greatly different. British children begin school at the age of 5. Then, at the age of 11, they are separated and put into three types of schools. This separation is made on the basis of intelligence and aptitude tests. On the basis of these tests, about 80 per cent of the pupils go

(Continued on page 48)

CHILD ANSWER THESE?

(Typical classroom questions in grade schools of Europe and U.S.)

Q. A rectangle is 7 centimeters long and 3 centimeters wide. Give (a) its perimeter and (b) its surface in square centimeters.

Q. Describe the principle of the conservation of food. Why does cooked meat stay fresh better than raw meat when exposed to air?

Q. The Holtenau lock at the end of the North Sea-Baltic Canal is 330 meters long and 45 meters wide. How many cubic meters of water must be let into the lock to raise the water level 8 meters?

Q. What do you know about the clouds? What is your explanation for fog in the evening and dew in the morning?

Q. 45 boys picked a field of potatoes in 28 hours. How many boys would be needed to pick the same field in 35 hours?

Q. What countries is the sun shining on when it is night in England?

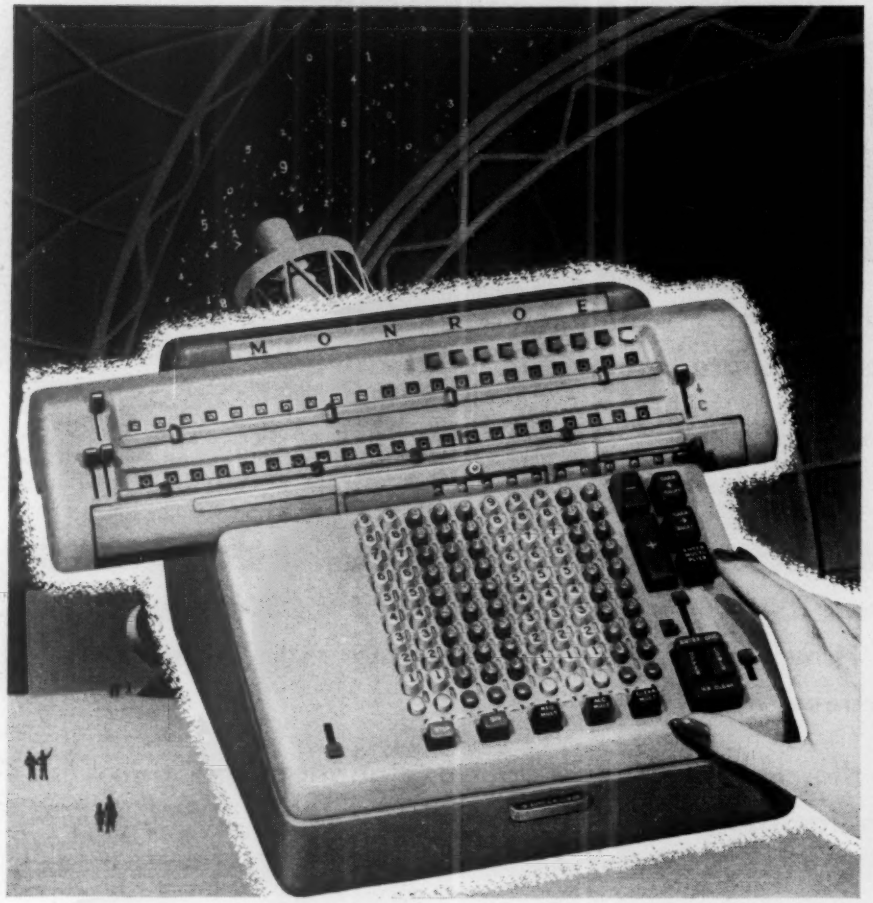
Q. A field shaped like an equilateral triangle and a field shaped like a square both have perimeters of 432 meters. How long are the sides of both the square and the triangle?

Q. What are the different parts of the human ear?

Q. Grandfather had 33 pigs and sold 10. How many did he have left?

Q. North, East, South and West are called points of the compass. Northeast and Southwest are also points of the compass. Name two more points of the compass.

© 1955, By U. S. News Pub. Corp.



A New Calculator . . . A New Principle

AUTOMATION

Is at Work on Desks Today

It is here. Right now. The first figuring machine that actually opens the door to Automation on the office desk. Drastically shortens the span between problem and answer. Reduces each day's computing costs by a countable margin.

The new, totally automatic Monro-Matic is the only desk calculator with the modern, compact *single* keyboard of tomorrow. It automatically seeks its own decimal. The only one with functional-color controls. Set the figures, large or small. Push a key. Automation takes over. This machine controls itself, gives the result in a split second. Eliminates human error. Ask operators who know. *They prefer Monroe.*

So far ahead today, the Monro-Matic is *a preferred investment* for years to come, an assurance against obsolescence. Monroe Calculating Machine Company, Inc. Home office: Orange, New Jersey. Branches across the nation.

see **MACHINES from MONROE**

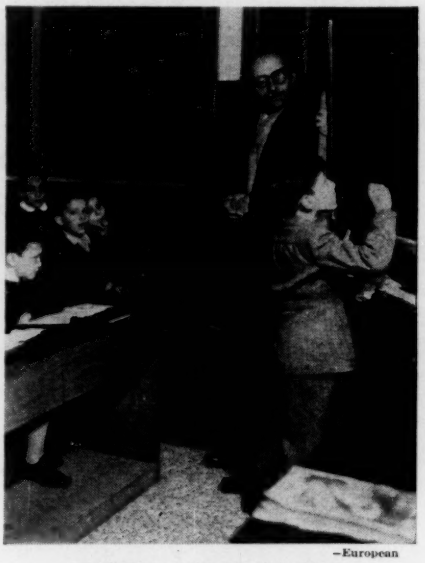
for CALCULATING • ADDING • ACCOUNTING

[continued]

DO U. S. SCHOOLS EQUAL EUROPE'S?

on to what are called "modern secondary schools," which offer a broad range of subjects somewhat as does an American high school. The more promising 15 per cent go to "grammar schools," where they are prepared for college. The remaining 5 per cent go to technical schools to learn a trade.

Learn—or else. There is a similar weeding-out process in Germany and France which generally takes place when the student is 10 years old. It is at this age that the pupil's future is decided by comprehensive tests designed to determine whether he is fit material for the highest type of education the country has to offer. If a pupil doesn't measure up, he



—European

ALGEBRA CLASS IN ITALY
Not many go on to high school

is shunted to the scholastic side lines. Typical of the European approach to education is what happens to these youths at the age of 10. The French student is given a stiff exam that includes such questions as:

1. "A man driving to Tours leaves Orleans at 8 a.m. The two cities are 117 kilometers apart. He drives at 60 kilometers per hour. Two thirds of the way a flat tire costs him a half hour. At what time does he resume the trip? Because of a spare tire he slows his speed to ¾ of what it was at the outset. What time does he reach Tours?"

2. "Discuss Hitler. Relate the German victory in 1940. Who asked for the armistice? What were its clauses?"

If the French student fails the crucial exam that he has to undergo at the age of 10, he has to repeat the year's work,

then take an even harder test to prove he is worthy of advancement. If he fails a second time, he is transferred to vocational education. Once that happens, he cannot go on to college. This is a serious matter in Europe, where opportunities are limited and manual labor is regarded as humble and is poorly rewarded. Success in education is something avidly sought after in a nation such as France, for example, where a worker must put in as many hours to earn enough for an $80 bicycle as an American must to buy a $250 secondhand automobile.

The French youth who passes this early barrier moves on to courses which consist of writing, algebra, natural sciences, physics, chemistry, Latin and Greek, history, and political and physical geography. These are only the beginnings of his courses of study. There is a second, more severe weeding out of the French students at the age of 16—the baccalaureate examinations. These come after the youth has had six years of mathematics, Latin, a modern foreign language and four years of Greek.

Parental concern. Keeping up with such a burden of work between the ages of 10 and 16 obviously leaves the student with little time for outside activity. Should the pupil show any inclination to shirk his duties, his parents are sure to crack down in no uncertain fashion, for flunking the exams that come at this time permanently bars the French student from going on to a liberal college education. Passing them virtually assures him of eventually getting a highly prized white-collar job. The examinations are considered so important, and are of such general public interest, that the questions are printed on the front pages of newspapers.

European countries, in general, have a high opinion of their own educational systems. The French, in particular, are proud of their school system, which Napoleon founded nearly 150 years ago. But, in contrast to the trend in the U. S., there are growing protests in France at the emphasis on book learning. Bills have been introduced in Parliament calling for a change in the insistence on severe mind training to the neglect of physical education and social studies.

An Italian educator has this to say on the difference in aims of education in his country and the U. S.: "High schools in America develop adequately the civic sense in future citizens of American democracy. This civic sense is lacking in our schools."

Thus, at a time when American parents are beginning to wonder whether their children are getting the education they need, parents in Europe are starting to worry about a school system that means all work and no play for their youngsters

(Continued on page 50)

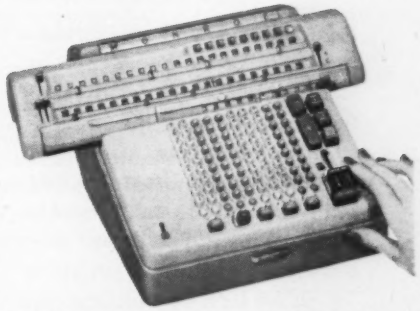
Let the MAN from MONROE put

AUTOMATION

On Your Desk

The MAN from MONROE at Jackson, Miss., Marion J. Brown, is a born civic leader. One instance: he helped bring Little League baseball to Jackson. He is a seasoned figuring analyst, trained in the creed, "Men + Machines=Monroe," men, of course, the most vital. Executives turn to him for figuring counsel in terms of their *own* businesses.

In your city too, there is a Man from Monroe, a postgraduate in simplifying figuring set-ups, realistically and objectively. See your phone book.



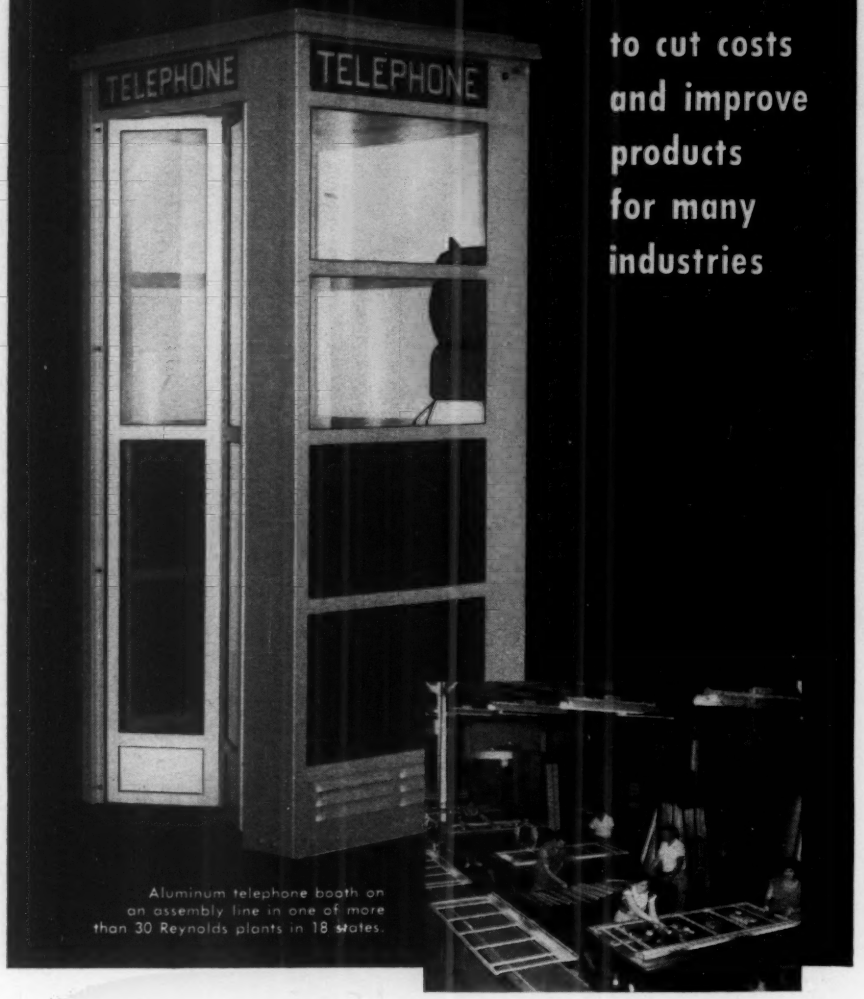
FUNCTIONAL-COLOR CONTROLS are now added to the many other vital *exclusives* in the Monro-Matic Calculator—red control keys for dividing, and green for multiplying.

see **The MAN from MONROE** for

CALCULATING • ADDING • ACCOUNTING MACHINES

REYNOLDS MASS-PRODUCES ALUMINUM ASSEMBLIES

to cut costs and improve products for many industries



Aluminum telephone booth on an assembly line in one of more than 30 Reynolds plants in 18 states.

Reynolds tremendous fabricating facilities are being used by leading companies in diversified industries for the production of complete aluminum assemblies, subassemblies, semi-fabricated and finished parts. These facilities help solve manufacturers' problems—such as lack of machine capacity, space, capital for raw materials—and other obstacles that restrict design freedom and plant output.

For full details on how you, too, can put these facilities to profitable use, call the Reynolds office listed under "Aluminum" in your classified telephone directory or write direct. Send for brochures on Reynolds facilities and fabricated parts.

See Reynolds New Program "Frontier"—Sundays on NBC-TV

REYNOLDS ALUMINUM FABRICATING SERVICE

2084 South Ninth Street, Louisville 1, Kentucky

[continued] **DO U. S. SCHOOLS EQUAL EUROPE'S?**

and places all the emphasis upon individual achievement without concern for the question of whether the student is prepared and equipped to fulfill the role of a citizen in a well-functioning community.

Recognizing this view, a French educator says: "In France the concept of the community is little appreciated or comprehended. The school system probably has something to do with this. Progressive education in the U. S. has subordinated the disciplined learning of facts to teaching youngsters how to play, live and work together as social beings. We French could use a moderate dose of this."

U. S. strength: numbers. There is another side of the picture, too. The U. S. and Europe differ widely not only in the methods and objectives of their schooling, but also in the extent of their educational "coverage." In the U. S., 80 per cent of primary-school children enter high school. American children in large numbers are at least exposed to advanced schooling. The opportunity for increased learning is there. Furthermore, 22 per cent of the school population in the U. S. goes on to college. In this respect, Europe lags far behind. There's not a single country on the Continent where more than 15 per cent of those eligible actually attend institutions of higher learning. For Europe as a whole, the average of young people who get a college education is only 5 per cent.

In Britain, for example, only 15 per cent of the primary students go to high school, and only 3 per cent manage to get into a university. Of French youths of high-school age, only 46 per cent are actually in school, and the figure for youths of college age is 10 per cent. In Germany, 2 per cent of the youths go to universities. Italy falls even below the European average, for, while 5 per cent of the young people of university age enter universities, only 7 per cent of the youngsters beyond 14 years of age are enrolled in any kind of school.

What this survey of public education shows is that two entirely different approaches to school are operating in the U. S. and Europe.

Abroad, classroom drudgery, plus a rigorous weeding-out process is aimed deliberately at developing a relatively small, highly educated group in each generation. In all of Europe, less than 15 per cent of the youngsters who reach 16 years of age continue with their schooling. In America, where primary standards are lower, the goal is to educate everybody. Practically any youngster who wants to can get an American college education, and usually enjoys himself in the process.

"We protected our way of living!"

. . . say Mr. and Mrs. C. B. Kelley

"When we were first establishing our home we knew little or nothing about the value of planned insurance protection against the financial losses resulting from fire, accident or other causes.

"So we welcomed the assistance of our Hardware Mutuals representative. In an easy-to-understand manner, he explained the benefits of *Living Protection*. This he defined as the basic insurance we need to provide us with security and peace-of-mind protection.

"In addition to the good service we have had for 15 years, Hardware Mutuals saved us money with the regular payment of generous dividends.

"That's why we'll continue to make certain that we have our home and our possessions made secure with Hardware Mutuals *Living Protection*."

Mr. and Mrs. Clarence B. Kelley
7204 Clovernook Ave.
Mt. Healthy, Cincinnati 31, Ohio

If you own a home and furnishings . . . if you have children or a pet dog . . . if you play golf, go fishing or hunting . . . you need Hardware Mutuals *Living Protection*.

Your nearby Hardware Mutuals representative will be happy to explain this complete insurance plan. Actually, you can determine your own needs with *Living Protection* tailored to fit your budget. You'll be surprised and pleased with the moderate cost.

Call your Hardware Mutuals representative today . . . or mail coupon for information.

Copyright, 1955, Hardware Mutual

Insurance for your AUTOMOBILE . . . HOME . . . BUSINESS

Hardware Mutuals®

Stevens Point, Wisconsin · Offices Coast to Coast

HARDWARE MUTUAL CASUALTY COMPANY
HARDWARE DEALERS MUTUAL FIRE INSURANCE COMPANY

Hardware Mutuals USN-10
200 Strongs Avenue, Stevens Point, Wis.

Tell me how I can protect my way of living through *Living Protection*.

Name _____

Street _____

City _____ Zone _____ State _____

MUTINIES IN THE FRENCH ARMY

Do They Mean Trouble for Western Defense?

Allied commanders are taking another look at the French Army. Can it be counted on if big war comes to Europe?

Reservists are balking at duty in North Africa. Reds get some of the blame, but not all. Troops find plenty to complain about.

The big worry: Western defenses are keyed to France. Trouble there could mean trouble for the whole setup in Europe.

PARIS

Mutinies within the French Army are raising new questions about the reliability of French troops upon whom the U. S. has been counting for a major role in the defense of Western Europe.

On three separate occasions within the last month, Frenchmen called back to the colors have rebelled against being sent to North Africa, where France has built up its forces to 350,000 men to try to stamp out armed revolt by native nationalists.

What worries Western military commanders about these disorders is whether they reflect a general demoralization in the French Army. If so, this could force a drastic overhaul of the military line-up in Europe which has to be ready to face a potential enemy of far greater strength than a few thousand poorly armed Moslems.

In one incident, 500 reservists refused to board trucks starting them toward Morocco and Algeria. Most gave up peacefully after a few hours, but 30 of the men staged a 24-hour mutiny by barricading themselves in their barracks. In another case, 400 Air Force men refused to board a train in Paris. Police finally had to herd the men to an airfield, from which they were flown off to the African fighting zones. In a third incident, 120 reservists went AWOL on the eve of departure from France.

The Communist hand. The whole issue of the danger of the Communists in France is raised again by the current disorders. One out of every 100 members of the French armed forces is a member of the Communist party, and 15 in 100 come from families that vote Communist. Ever since the present European defense system was set up nearly five years ago under General Eisenhower's leadership, the Communists have campaigned openly through newspapers, leaflets and civilian agitators to demoralize the French Army.

What is happening in France now has given the Communists a ready-made opportunity to encourage rebellion and violence. All of France—including religious groups and political parties—is divided over the North African question. The Reds are exploiting this situation to the full. A Communist mayor took the lead in organizing a rock-throwing mob of civilians who tried to "free" one group of mutineers from their barracks. Communists visited other reservists in their homes on the eve of departure and the next morning were outside the barracks urging the men to refuse to go to North Africa.

There is mounting concern among Allied commanders over such behavior, but their tentative conclusion is that the mutinies don't mean the French Army has to be written off yet. These officers, however, are carefully studying reports on the disorders and are also keeping a close eye on the behavior of French troops in Germany and North Africa.

Poor officer leadership was noted in two of the incidents. In one town, the general in command of the region didn't appear on the spot until the mutiny had ended. The railway-station mutineers were allowed by their captain to drink heavily in cafés for two hours.

Grievances. American officers in close contact with the French say morale remains high among regular soldiers and officers. Evidence indicates that the trouble is confined to those men called back for service in North Africa, who feel they have a lot of personal grievances. The sudden call-up included married men and fathers of one child as well as single men.

It was the first call-up of its kind since 1939, and confusion resulted for weeks over allowances, re-employment rights and other problems. A legal loophole still leaves some men, such as medical internes and substitute teachers, without guarantees that they will get their jobs back when their reserve service is over.

The matter of pay caused widespread protests, too. Married men in the Army get the equivalent of $40 a month if on duty in France, and $62 if they are sent to North Africa. They are the hardest hit by income cuts. Bachelors get the equivalent of $27 a month for service in North Africa, but they get no allowances for dependents even if they are the sole support of widowed mothers.

The current disorders are not, of course, on any such scale as the mutinies that took place in the French Army in 1917. This time, it seemingly is public dissatisfaction at the Government's handling of an unpopular war in North Africa that has given the Communists their opportunity—and handed the French Army a problem of mutiny.

One Allied officer who has served with French troops puts it this way: "Frenchmen are among the finest troops I have seen in action. They take kindly to military life and develop a fine *esprit de corps* when well led. Their professional soldiers and well-trained conscripts are fully dependable if adequately equipped. But if French reserve divisions ever are called upon to fight, someone had better make sure first that they and the nation know what they are fighting for and believe in it."

—United Press

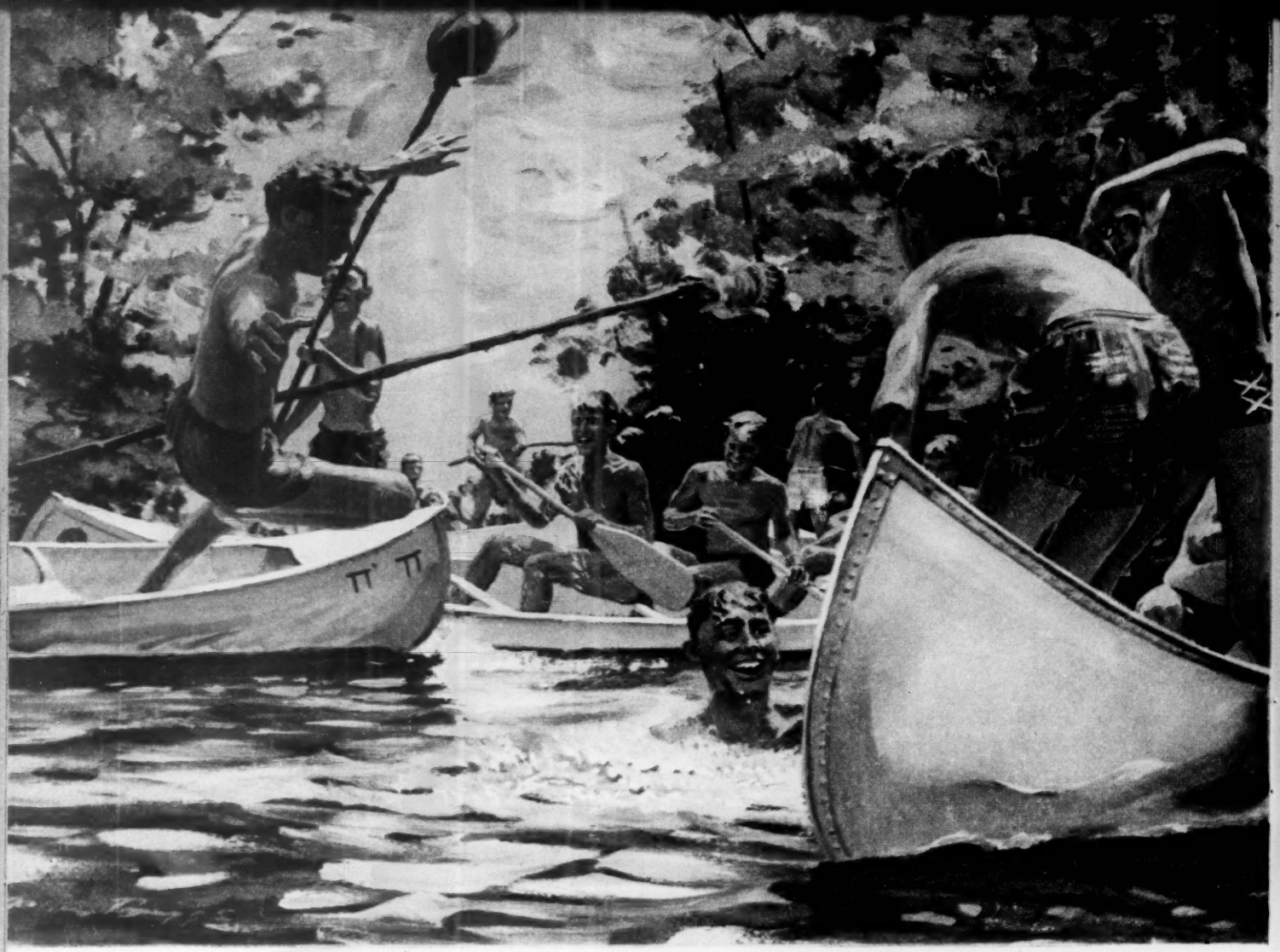
FRENCH TROOPS IN ALGERIA
. . . an unpopular job

Common Carriers!

Special Delivery! That's the kind of service billions of gallons of gas, oil and brake fluid get from GM Steel Tubing by Rochester Products! For GM Steel Tubing is *the* common carrier! Vital fluids for nearly half the new cars and trucks on the road today flow through these lines. More than that, GM Steel Tubing carries the coolants for many modern freezers and refrigerators . . . is indispensable in a wide variety of design and industrial applications. Remember, the reliable Rochester line is a full line . . . there's a size and finish to fit your needs. Consult a Rochester Products engineer or write direct for further information.

GM STEEL TUBING BY ROCHESTER PRODUCTS

ROCHESTER
PRODUCTS
DIVISION OF
GENERAL MOTORS
CORPORATION
ROCHESTER N.Y.



No maintenance aluminum means more time for fun, and a boat that's sturdy, light and long-lasting.

For more of the good things of life

In America today, aluminum is doing thousands of jobs better than they've ever been done before. Pace-setting, it seems, comes naturally to the metal that combines strength, lightness and beauty—and lasts almost forever.

This combination of virtues has created a phenomenal demand for aluminum—at home, on the farm, and throughout transportation, communications, science and industry.

Key to supplying this soaring demand is electricity. Enormous quantities of electricity are necessary to separate aluminum from its ore.

In its search for the most economical source of electricity, Aluminium Limited spearheaded into the wilderness of Northern Canada. There, by harnessing roaring rivers far from the pressing needs of North America's cities and industries, they are leading the way in a new kind of "power pioneering."

Today, Canada's aluminum-producing facilities are being rapidly expanded . . . to help provide U.S. factories and over a million metalworkers with the primary aluminum they need . . . to help bring you more *and more* of the good things of life.

Aluminium Limited, Montreal: one of North America's great aluminum-producing enterprises. (In New York: Aluminium Limited, Inc., 620 Fifth Avenue.)

SEE "OMNIBUS" SUNDAYS ON CBS-TV

Aluminum from Canada

1951: Runaway waters of Quebec's untamed Peribonka

1955: Waterpower harnessed to produce more aluminum

Trouble for U.S. on a Far Frontier

Now Afghanistan Is Drifting Into Red Orbit

Here is a case study of how Moscow is undercutting the U. S. on one more strategic frontier. In Afghanistan—

Russians are paving the streets, developing industry, putting on quite a show. They're tying up the country with trade deals.

Result: Communists are gaining and U. S. losing in a key defense area on the Soviet Union's southern flank.

KABUL, Afghanistan

Here, in this remote but strategically located country, a new Soviet satellite is in the making. Afghanistan is non-Communist now, and its leaders say they expect to keep it free. But, gradually, it is moving into the Communist orbit.

Communist propaganda is being stepped up. Official coolness toward the United States is developing. Soviet credits and Soviet technicians are being used in putting up industrial plants and public works that are making a big impression, and trade with the Communist nations is being enormously increased.

These things are taking place in a country that is a deep wedge in the new defense setup against Soviet aggression in the Middle East. Turkey, Iraq and Pakistan are members of this new setup. (See map on this page.) Iran has just joined. But Afghanistan, which faces the Soviet Union across a 700-mile border, is drifting into the Russian camp. The United States had hoped that Afghanistan, too, would join the new defense arrangement.

The Soviet technicians and workmen who are swarming into Afghanistan are working on a set of showy projects. For example they are paving the streets of Kabul, the capital city, under a 2.1-million-dollar contract, and they have contracts to asphalt the streets of Herat and Mazar-i-Sharif, two other important cities. In a country whose capital had only two paved streets, these projects border on the sensational.

Here in Kabul, there never have been any taxis; horse-drawn carriages, for hire, are used instead. Now the Russians are going to provide taxis. The first fleet of 20 is scheduled to arrive in a few weeks.

Russians dazzle natives. At the edge of Kabul, the Russians have installed a large depot for gasoline storage, the likes of which the Afghans never had seen. This depot, with its huge tanks, is developing into quite an attraction for sightseers. People going to and from one of the main mosques, located nearby, often stop to look at it. Kabul residents have gotten into the habit of walking out there, in their spare time, to admire it. Even at night it's a big attraction. The Russians have installed an electrical system that lights it up brightly, in contrast to the dim streets of Kabul. The whole layout, at night, looks as dazzling to an Afghan as the lights of Broadway, in New York, look to a country boy.

Since the Russians got their toe inside, they keep pushing the door open wider. An example of this is the way they have maneuvered the Afghans into eating Russian-style bread. First the Russians said that the reason why Afghanistan was plagued by grain shortages was that there there were no storage facilities. The solution, they said, was to have a Russian-built grain elevator.

Once this idea was put over, the next move was to install a Russian-built flour mill. That mill, in turn, opened the way to the building of a Russian bakery. Using this line of salesmanship, the Russians got the contract to build a grain elevator, a flour mill and a bakery—all exciting to the people of this backward country.

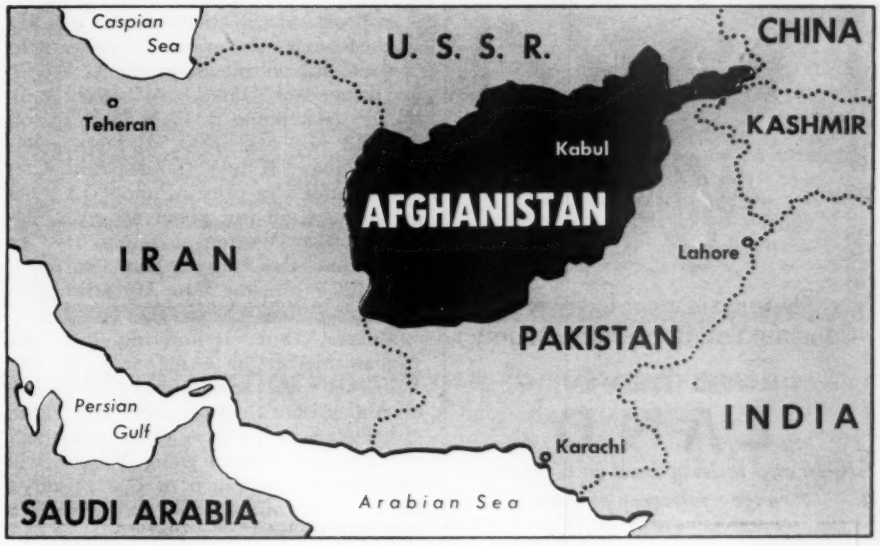
The Russians make no attempt to teach the Afghans how to operate the installations that are being built. Once a plant is finished, it is manned by a crew brought in from the Soviet Union.

The Czechs, as well as the Russians, are doing business here. They are building this country's first cement plant, and they have supplied some arms—mainly small arms and artillery pieces—to Afghanistan's Army.

The U. S., also, is active in Afghanistan. It has been trying to help this country for years, with a 39.5-million-dollar loan for a big irrigation project and a program of technical assistance that is costing American taxpayers about 2 million dollars a year. The irrigation project, however, is far to the south, and few Afghans know that it is being built. And not many Afghans realize that U. S. experts are working to help improve their country's crops, education and health. The Russians, in contrast, are doing things that are easy to see and appreciate.

Although the swing toward Moscow has been under way for two years, it has picked up speed since Pakistan recently got into a dispute with Afghanistan. Pakistan has closed off the border.

(Continued on page 56)



AFGHANISTAN: NEXT SATELLITE?

[continued]

U. S. LOSING ON FAR FRONTIER

and that shut off important trade routes. The bazaars became empty of goods formerly imported through Pakistan, and perishable exports spoiled. Although the border now is open again, the Russians are holding many of the gains they made while it was closed.

Flow of Soviet goods. The Russians recently invited an Afghan mission to Moscow, and while there it signed a five-year trade agreement. It also signed an agreement under which Russia allows the free passage of goods bound for Afghanistan. As one Afghan puts it: "If the Pakistanis won't let us breathe through our nose, we have to breathe through our mouth."

Imports of Russian goods already range from machinery and hardware to cement and petroleum products. Where five years ago Afghanistan bought only 48 per cent of its gasoline from Russia and 52 per cent from Western companies, today it buys 100 per cent from Russia—and at a price of about 15 cents a gallon, as against about 26 cents, delivered, that Western gasoline used to cost. Now the Russians are preparing to build a pipeline into Afghanistan to sew up this business.

Russia, thus, is moving into the Afghan market in a big way. At the same time, the Soviets are taking more of Afghanistan's cotton, wool and hides, either on a barter basis or in repayment of loans. As things are going, Moscow will be able to turn much of this country's trade on or off at will, and that is a powerful weapon.

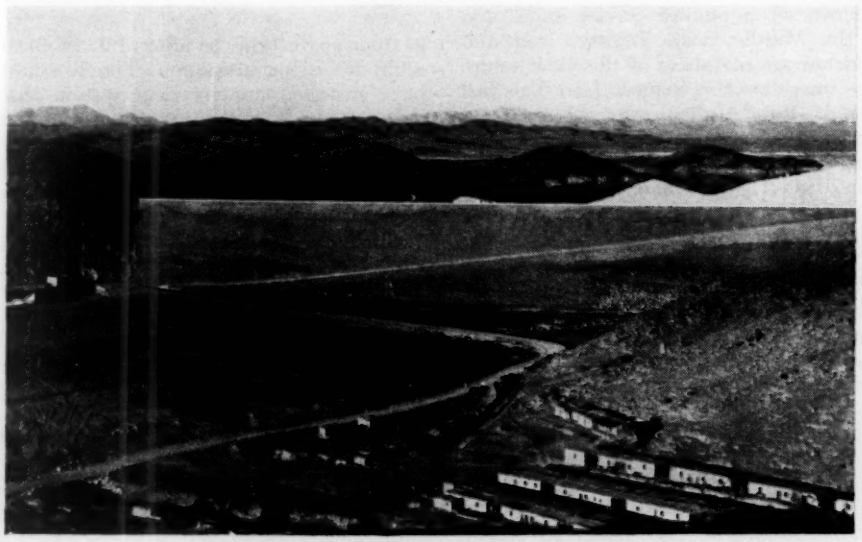
While pushing this economic penetration, the Communists are also stepping up their propaganda activities. Soviet radio stations across the border broadcast regularly in Afghanistan's languages, while other Russian stations jam the Voice of America. The newspapers here reprint many articles from *Pravda*. More Russian magazines than ever are in circulation. Moscow is putting on photo exhibitions that show up the Soviet way of life favorably.

The Soviet Embassy staff has nearly doubled in size this year. The Russians are sending in topnotch diplomats, many of whom have been stationed in Kabul before and who know the people and the languages. Soviet agents who speak a local language and who are of the same racial stock as the Afghans circulate through the bazaars and the countryside spreading Communist propaganda.

One point that the Russians are driving home is the argument that the U. S. is arming Pakistan for a war on Afghanistan, and this propaganda is paying off. The word has gone out that it's not discreet for Afghans to associate with Americans. Today, few Afghans dare to accept invitations to American homes, and it is rare for an Afghan to entertain an American.

U. S. Embassy shunned. The U. S. Embassy has trouble hiring local employes, because the authorities often deny them work permits. More and more Afghans are becoming afraid to work for the Americans, even when they can get permits. Afghan students who return

(Continued on page 58)



BIG DAM WAS BUILT WITH U. S. CREDIT
. . . but few Afghans know about it

Planning a new location?
Consider San Bernardino County

we have
LAND

Miles and miles of land in every price range—for every purpose

There are good, sound reasons for considering San Bernardino County, California for plant sites, warehouses or offices . . . unlimited labor pool . . . plenty of water . . . dry, sunny climate . . . excellent living and recreational facilities . . . large industrial land tracts in every price range . . . rail, truck and air transportation plus direct freeway to adjacent Los Angeles and San Diego markets.

Write for literature and further information. Your inquiry will be held in strict confidence.

A. B. GROOS
Director of Industry
County Board of Trade
SAN BERNARDINO, CALIFORNIA

Only through MONY MODULE could these three companies solve their Employee-Benefit problems

THE PRACTICAL ANSWER

Mr. Robert Halvorsen, President, Sterling Die Casting Co., Inc., Brooklyn, N. Y., says, "The fact that the average age of our employees is 47 years seemed an insurmountable problem in setting up a realistic retirement plan. MONY Module has been the practical answer because it *requires no large initial payment* to cover past services of older employees."

UNIQUE PREMIUM GUARANTEES

Mr. R. H. Nichols, President, The Vernon Daily Record, Vernon, Texas, states, "I had never found any other plan that did not leave much to be desired when related to a small employee group. MONY gave me a tailor-made plan, and its unique premium guarantees assure me that future pension costs for established benefits will not get out of hand."

ALL IN ONE PACKAGE

Mr. Lindell Peterson, President, Chicago Mortgage Investment Co., Chicago, Ill., says, "Until we heard of MONY Module, we could not find a plan to do everything we wanted at a reasonable cost. The size of our company was a hindrance in one place, the cost in another. But MONY Module *solved all our problems in one package at a price within our means.*"

New plan offers flexible, low-cost program — even for smaller groups!

Before MONY Module there was no employee-benefit plan that allowed both smaller and larger businesses to meet all their needs economically and efficiently. But now, because it's so flexible, MONY Module solves that problem—for firms employing as few as 10 or as many as 10,000.

MONY Module is a unique idea, and it's unusually simple! With it, you can literally "build your own" program—unit-by-unit—using combinations and amounts of the following benefits that are not only right for your employees but best for your budget:

1. Retirement for the employee.
2. Life insurance for the employee.
3. Widow's pension to supplement Social Security.
4. Disability income for the employee.
5. Hospital, surgical, and medical benefits for the employee and his family.
6. Payments for major medical expenses (available only for groups of 25 or more employees).

Whether you want only life insurance, or the most complete package of benefits available, find out more about MONY Module and how it fits your needs. MONY offices are located throughout the United States and in Canada.

FOR COMPLETE INFORMATION ABOUT MONY MODULE FOR YOUR BUSINESS, MAIL THIS COUPON TODAY!

MUTUAL OF NEW YORK

THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK

Life Insurance—Accident and Sickness—Hospitalization—Retirement Plans . . . FOR INDIVIDUALS AND EMPLOYEE GROUPS

MONY TODAY MEANS **MONEY** TOMORROW!

Mutual Of New York, Dept. USN-4
Broadway at 55th Street, New York 19, N. Y.

I'd like to find out more about MONY MODULE—and what advantages it offers me and my employees.

Name_____ Title_____

Company Name_____

Type of Business_____ No. of Emp._____

My fiscal year ends_____

Address_____

City_____ State_____

Saves Lives by Remote Control

A glance in his rear-view mirror showed truck driver Alexander Carr a rear-end crash was imminent! Barreling down upon his tractor-trailer, stopped at a St. Louis stop sign, came a city bus loaded with passengers—the driver slumped over the wheel apparently unconscious!

With the same quick thinking that has preserved Alex Carr's record of 27 years of accident-free highway driving, he put his rig in gear, moved out, then gradually reduced his speed until the bus caught up and gently bumped the rear of his trailer. On the second attempt he brought tractor-trailer and bus safely to a stop as a single unit, set his brakes and ran back to investigate. The driver—victim of a heart attack—was dead!

For his act in saving the terrified passengers from possible injury and death, Alexander Carr, of the BeMac Motor Transport Co., was nominated for the American trucking industry's 1955 Driver of the Year Award and received one of three coveted Honorable Mention Citations. Our highways are safer because of the resourceful, courteous truck drivers who keep the nation's freight rolling and who act quickly and effectively in times of emergency.

ATA FOUNDATION INC.
THE AMERICAN TRUCKING INDUSTRY
WASHINGTON, D. C.

TRUCK DRIVERS DELIVER THE GOODS!

PREPARED IN THE PUBLIC INTEREST BY

Dayton Thorobred Tires

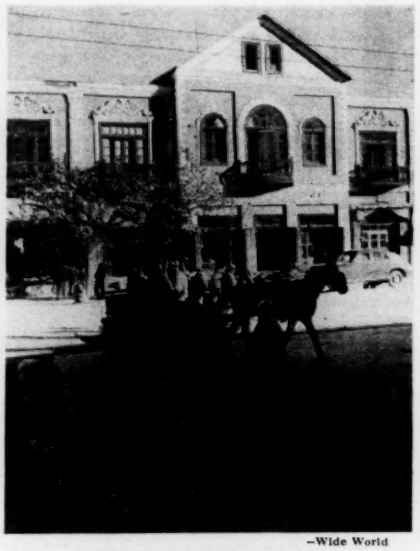
[continued]

TROUBLE FOR U. S. ON FAR FRONTIER

from the U. S. are looked upon with suspicion. Outside the library of the U. S. Information Service a policeman makes notes of all local people who go there frequently. Inside, a plain-clothes man watches all that takes place.

When it comes to strictly political activities, the Russians are going more slowly than in economic matters. So far, they have not organized a local party, like the Tudeh Party in Iran. In fact, the Afghan Government does not tolerate anything that might develop into an opposition party.

The Government is careful not to antagonize the big neighbor to the north, however. A couple of years ago, Afghanistan arranged for a French company to explore for oil near the Soviet frontier. When Moscow objected, that deal was dropped. Now the Afghans have a similar deal with Swedish interests—but they made it only after being assured by Moscow that the Swedes, coming from a country that is not a member of the North Atlantic Treaty Organization, would not be objectionable.



—Wide World

KABUL, THE CAPITAL
Russians are paving the streets

Some Americans here believe that the cooling off toward the U. S. and the snuggling up to Russia are merely tactics designed to pry arms and more economic aid out of Washington. Regardless of what's behind it, however, Americans are worried by Russia's tightening grip on the country. The leaders of Afghanistan think they can keep their independence while playing ball with Moscow. But they may wake up some morning and find that this country is the newest Soviet satellite.

KODAK'S SENSATIONAL VERIFAX COPIER

Big factor in $350,000 sales jump

A $240 Kodak Verifax Copier—operated by the office boy at Jack Dreyfus Company, N.Y.C.—keeps 15 overseas sales agents up to date on constantly changing prices and additions to the firm's automotive parts line.

Getting photo-exact information out *immediately* was impossible before, according to Mr. Dreyfus. Ability to do so now has contributed greatly to this small exporter's spectacular $350,000 increase in sales this year.

Ready to be air-mailed . . . 15 Verifax copies of a catalog page are made on prepunched paper in less than 5 minutes. These photo-exact copies—ready for insertion in the sales agents' binders—cost just 2¢ each . . . were produced under full room light with this *completely different* copier. Parts lists, instruction sheets, and other data supplied by automotive parts manufacturers are duplicated in the same manner.

Cuts dictation, retyping, proofreading. No need to dictate a letter which quotes from one that has been received. Mr. Dreyfus simply sends a Verifax copy. Letters asking questions are handled by jotting answers in the margin and mailing Verifax copies as replies. No end to the uses for this sensational machine which *anyone* in the office can operate. For example, prices are added to suppliers' packing lists. Then Verifax copies are made and sent out as invoices to customers. Savings in retyping alone paid for the Verifax Copier in 3 weeks.

MAIL COUPON TODAY

Valuable tips for boss and secretary—based on experiences of thousands of Verifax users—are included in new free booklet giving full details on this sensational $240 machine. Learn how you can even use it for making offset plates at a *new low cost.*

EASTMAN KODAK COMPANY, *Business Photo-Methods Division 2*
343 State Street, Rochester 4, N. Y.

Gentlemen: Please send free copy of "Verifax Copying—New Time-Saver, New Idea for Every Office."

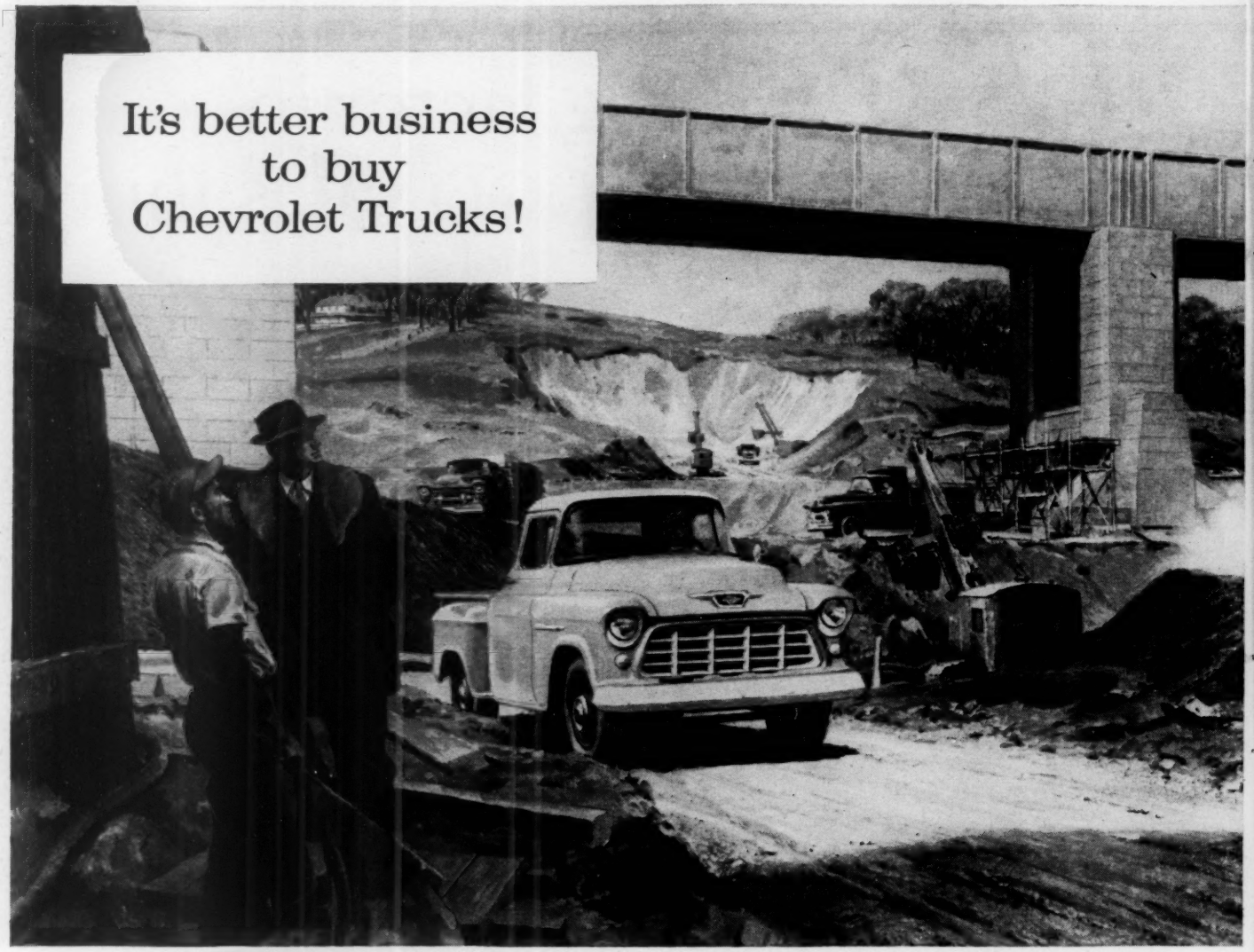
Name_____ Position_____

Company_____

Street_____

City_____ State_____

Kodak



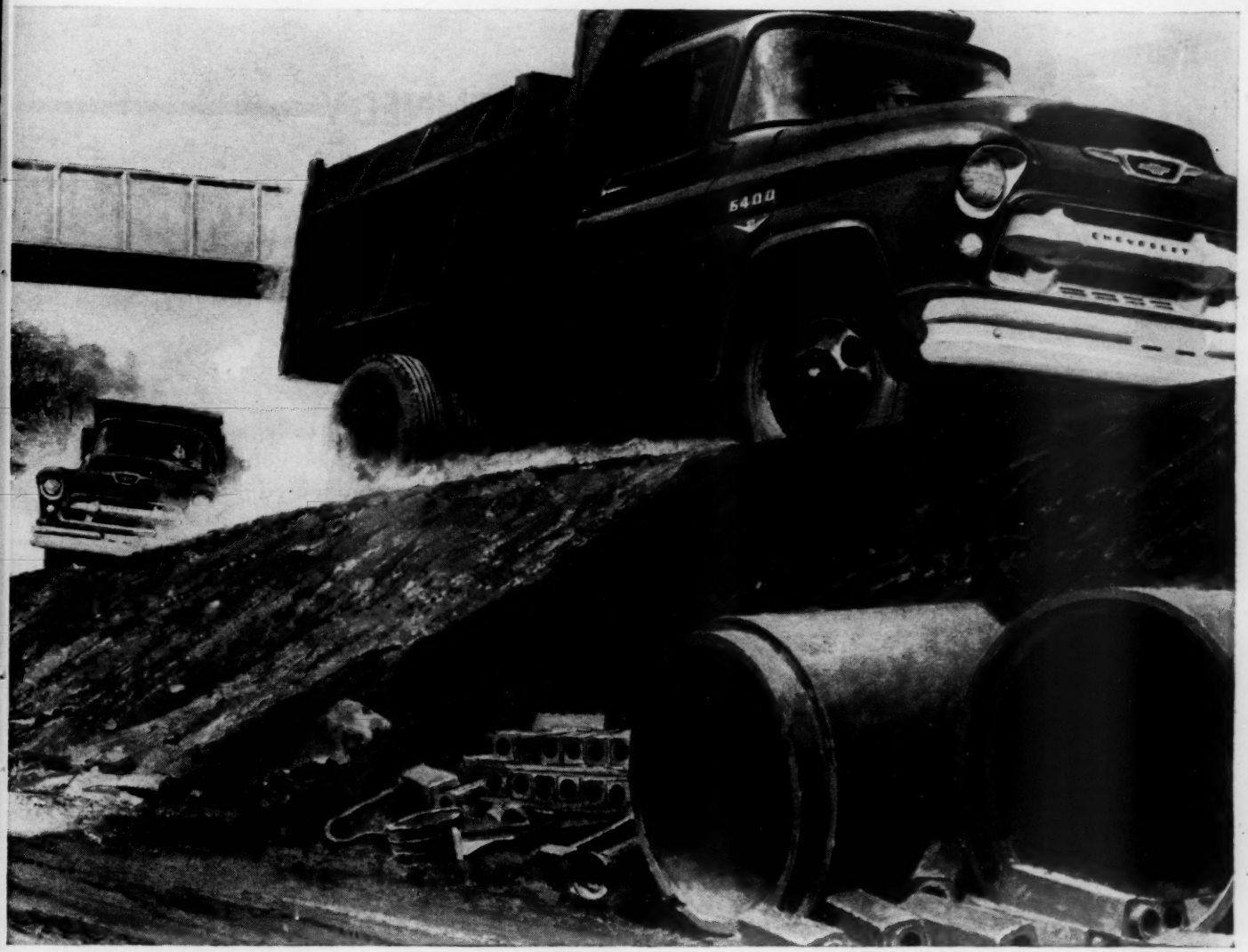
They put today's most MODERN power-V8 or 6- to work for you!

New Chevrolet Task-Force trucks deliver the goods when it comes to hour-saving, dollar-saving performance! They're powered with the most modern engines you'll find under any truck hood today.

Take Chevrolet's two new truck V8's.* They're compact. Super-efficient, with new Powermatic design. They deliver exceptionally high horsepower per pound, which means more power is actually available for hauling your loads. And they've got the shortest stroke of any V8 in any leading truck. In fact, the stroke is shorter than the bore. Engineers call this oversquare design. It results in less piston travel per mile . . . longer engine life. It's the mark of today's most modern truck V8's!

New Chevrolet Task-Force trucks offer you the last word in sixes, too—advanced, high-compression valve-in-head sixes. They're new editions of

NEW CHEVROLET *Task·Force*



the engines that have long been famous as the workhorses of the truck world!

And *all* Chevrolet truck engines—both V8's and sixes—bring you the advantages of a modern 12-volt electrical system.

It delivers *twice* the punch for quicker starting in cold weather—up to 30 percent faster cranking speed! It provides a bigger, hotter spark for better ignition and finer performance. And it gives you a greater reserve of electricity for operating accessories.

These are just a few of the reasons why you're ahead all down the line with new Chevrolet Task-Force trucks. Drop in and talk it over with your Chevrolet Dealer the first chance you get. . . . Chevrolet Division of General Motors, Detroit 2, Michigan.

TRUCKS CHEVROLET

WORK STYLING
A new approach to truck design

THE SHORTEST STROKE V8*
in any leading truck

NEW CABS
with greater comfort, panoramic windshield

NEW CAPACITY—UP TO 18,000 LBS. MAXIMUM G.V.W.

NEW, MORE DURABLE STANDARD-WIDTH FRAMES

Easier handling with new **POWER STEERING***

You can have **NEW OVERDRIVE*** *or* **HYDRA-MATIC***

POWER BRAKES
standard on 2-ton models, extra-cost option on all others

TUBELESS TIRES STANDARD
on ½-ton models

*V8 standard on L.C.F., extra-cost option on all other models except Forward-Control. Overdrive optional at extra cost on ½-ton models; Hydra-Matic optional on ½-, ¾- and 1-ton models. Power steering optional on all except Forward-Control models.

Interview — with ROBERT F. KENNEDY

Counsel for Senate Investigations Subcommittee

A LOOK BEHIND THE RUSSIAN SMILES

What is life like in far Soviet corners? Are millions really kept in slavery?

Robert F. Kennedy, chief counsel for the Senate Investigations Subcommittee, accompanied Supreme Court Justice William O. Douglas on a tour of Central Asia, and took the photos of Russian life shown here. In many of the areas no visiting Americans had been seen since the Russian Revolution.

Doors were opened and privileges extended. But the secret police watched Justice Douglas and Mr. Kennedy and monitored their conversations. Travel to some places was prohibited.

Yet much was learned about life in the U.S.S.R., and also about what lies hidden behind the Russians' new "friendly" approach.

While abroad, Mr. Kennedy, on leave from the Subcommittee, paid his own expenses.

Q How long were you in Russia, Mr. Kennedy?

A Just under six weeks.

Q Where did you go?

A We spent most of our time in Central Asia, which is composed of five countries—Kazakhstan, Turkmenistan, Uzbekistan, Tadzhikistan and Kirghizia.

Q You were the first Americans to be over there?

A In some parts. Other Americans have gone to some of the cities, but in other parts they haven't allowed anyone.

Q What was your major reason for going?

A We were chiefly interested in going there because it is the "colonial" area of the Soviet Union—the people are entirely different from the natives of Central Russia—they are of Turkish and Iranian stock with a strong Mongolian strain.

Another reason that made it interesting is that it is a highly religious area.

At least up until 40 years ago the people were devoted followers of Mohammed, and it was an interesting question as to what had occurred since the Communists took over. Another interest was the remoteness of the region—there had been very few visitors, and yet the importance of the region cannot be overestimated. It's a large area, about 1.5 million square miles—it's bigger than India before partition and larger than all of Western Europe. It has a population of something under 20 million, which is relatively small, but it still exceeds the population of Canada or Australia.

The countries that border on Central Asia are so comparatively well known—Persia, Afghanistan, Sinkiang—we even had a representative in Sinkiang up until 1947. All those countries have had visitors and have had books written about them. But in this area there seemed to be a lack of knowledge and a lack of travelers. From 1500 up until the middle of the nineteenth century, Samarkand had only two visitors—both Russians—one happened to go there by chance and another one was sent there, a Russian envoy. Otherwise there were no foreigners. Bukhara and other sections of Central Asia have been almost as isolated.

Q When did this region become part of the Russian empire?

A Some of it starting around 1869, but part of it—for instance, Bukhara—was ruled by an emir until 1924 or 1925. He was independent prior to the Revolution—he operated on his own authority. The Russians had conquered the land around, but he controlled his part. He kept a harem, and some of the women who lived in the harem are still alive. He owned 400 concubines and a number of wives.

Q And these countries are all now republics under the U.S.S.R.—each one a unit?

A Yes. And they each speak separate languages.

Q Do they have any newspapers in that area?

A They had newspapers—

Q In what language?

A I believe in their own local language, as well as *Pravda* and *Izvestia*.

We were in Baku in Azerbaijan before we entered Central Asia, and a guide was pointing out the Russian accomplishments. We came to a building and he said, "There is where the 100 newspapers in Azerbaijan are published." They are all published in the same building.

Q How did you happen to go with Justice Douglas on this trip?

A He came down to speak at the University of Virginia about five years ago. I was head of an organization which invited him, and we were talking about some of his trips, and he said he was hoping to go to Central Asia and asked if I would be interested. I said I would, and he had been trying every year since then to get visas.

Q After you left Azerbaijan, where did you go?

Copyright 1955, By U. S. News Pub. Corp.

In Hidden Asia: Slave-Labor Camps . . . Segregated Schools . . . A Million Resisting Natives Disappeared

A We flew across the Caspian directly into Central Asia, where we spent most of our time. Then we traveled to Western Siberia, where we visited the cities of Barnaul, Novosibirsk and Omsk. We then flew to Moscow for six days, and then to Leningrad for a couple of days, and then I came out through Warsaw, spending two or three days there and afterward taking the train to Berlin. Justice Douglas went out through Helsinki.

Q Did you travel by plane?

A Yes, we traveled in Central Asia by commercial plane.

Q Are there roads?

A There are few paved roads in the cities in the western part of Central Asia. Further east more of them are paved. In a city like Bukhara maybe 30 per cent of the roads in the city are paved, and of course all the roads outside the cities are not paved—it would be impossible to drive a car through the area.

Q Did you take your radio in there?

A We did not.

Q How did you know what was going on in the rest of the world?

A We didn't know, we didn't have any idea. For instance, we never knew of the release of the prisoners from China until after we got to Moscow.

Q The newspapers didn't tell you?

A We would ask each day as the guide read them, but we were never told those things—for what reason, I don't know. There is a radio going in all of those cities, in the streets and in all the stores. All the farms that we visited have loud-speakers. They even have loud-speakers for the people working in the fields; they have loud-speakers in the machine-tractor stations; they have loud-speakers for the factory workers. They go all day long.

Q Is it music?

A It's music; then they have the news and talks.

(Continued on next page)

ROBERT F. KENNEDY, 29, is at present chief counsel of the Senate Investigations Subcommittee.

Boston born, Mr. Kennedy is a son of Joseph P. Kennedy, former U. S. Ambassador to Great Britain. He is a graduate of Harvard, where he played varsity football in 1946-47, and of the University of Virginia Law School.

In 1952 he managed the campaign in which his older brother, John F. Kennedy (Dem.), of Massachusetts, was elected to the Senate. Last year the U. S. Junior Chamber of Commerce voted Robert Kennedy one of the country's 10 outstanding young men. Also in 1954 he served as counsel for the Democratic members of the Senate Subcommittee during the McCarthy-Stevens hearings.

—USN&WR Photo

ROBERT F. KENNEDY IS INTERVIEWED IN THE CONFERENCE ROOM OF *U. S. NEWS & WORLD REPORT*

Q You can't get away from it?

A No, it just drives you out of your mind.

Q Not a moment of silence?

A No.

Q What about in people's homes?

A I suppose they can turn it off there, but, if you go into a store, a department store, they will have a loud-speaker there.

Q Do people listen to it?

A I couldn't tell that.

Q Who furnished your guide?

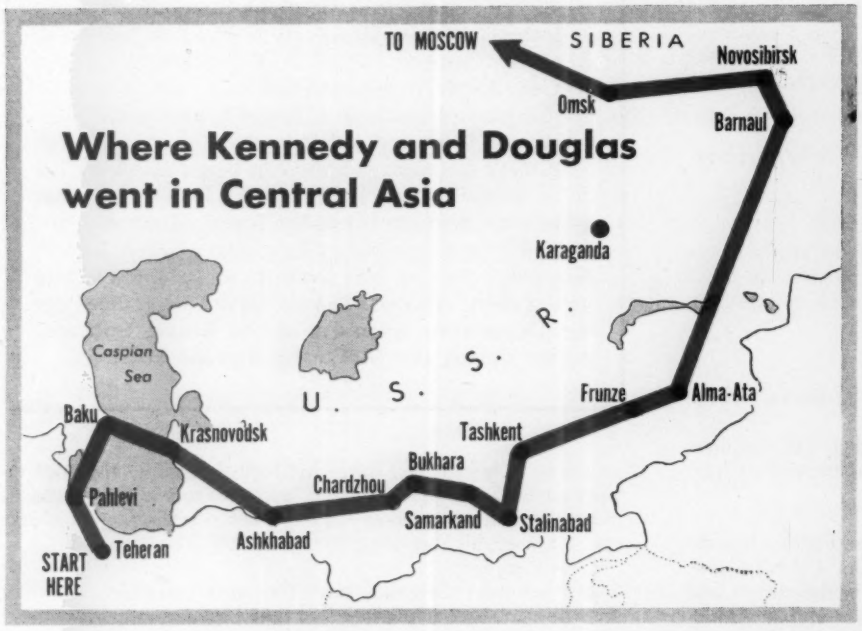
A Intourist [travel bureau], the Government.

Q On this radio business, where do the broadcasts come from—Moscow?

A A lot of them come from Moscow, but some come from the local stations. They have a very large station in Tashkent, which evidently is very active in broadcasts to the Middle East. And then, of course, they have a station in Baku, which is a large and well-known station in that part of the world.

Q Is there a new steel industry in Central Asia?

A I know of some plants, for instance, in Stalinabad. Before taking this trip I had read of this plant in Stalinabad, and when we arrived there I asked the guide what industry they had, and he said just textiles. He said that that was the sole means of support. It ultimately developed when we talked to the mayor of the city that they have a number of mines around Stalinabad, and, in addition, he told us they also have



FRUNZE: Factory workers in Soviet Central Asia

MOSCOW: Russian housewife goes about her shopping chores

a steel plant. Our local guide, on this occasion as well as others, gave us a good deal of misinformation.

Q Are they developing any new lands or making any effort to bring people down into that area?

A A lot of Russians have come in in the last 10 or 15 years.

Q What about Orientals—Chinese, Indians—did you see any?

A No, but of course the people are Oriental-looking. They are a mixture of the Turk race and the people who came in with Genghis Khan. They have the slanted eyes, the high cheek bones, the goatee, the little mustaches—they are completely different. They are as different from the Russiar people as the Malayan people are from the English, the Algerian from the French. There is absolutely no connection whatsoever, and, as I say, that is what made the area particularly interesting.

Q Is it a colony, in effect?

A Yes, it is. It is the Russian colonial empire as Morocco and Algeria are the French colonial empire.

Q Is there any spirit of nationalism?

A There must be, although it's difficult to tell. The native people have suffered a good deal under the Russians. Prior to going there, we knew this to be a fact from the statistics published by the Russians themselves. In Kazakhstan, for instance, during the collectivization, the Russians took a census in 1926 and published the number of Kazakhs in Kazakh-

(Continued on next page)

NOVOSIBIRSK: Women are construction workers

BUKHARA: Loud-speakers on tower blare music

STALINABAD: Scene inside a cotton mill

ALMA-ATA: View of Russian Orthodox church

stan, which was a little bit under 4 million. In 1939 they published another census of the number of nationalities in the whole of the Soviet Union, and included therein was the number of Kazakhs in the whole of the Soviet Union and that was a little bit above 3 million. The Kazakhs during this 13-year period had been decimated about 1 million.

Q By deaths?

A That's the question. All through the rest of the Soviet Union the population increased 15 per cent, which means that the Kazakhs ordinarily would have been up to 4.5 million, if they followed the percentage of the rest. Instead they were reduced to 3 million or a little bit over.

Q Did they resist the Russians?

A That was the charge, at least. There were some Americans in that area at the time who said that the slaughter was terrible. The Kazakhs are nomads, they are fiercely independent people. There was an engineer named Scott in there and also a man named Littlepage, who were in the area during this period—

Q When did you meet them?

A I didn't; I have read some of their writings. During that time the population was decimated, and we tried to get an explanation of it from university professors and judges as to what had happened to all these people, whether they had fled the country or had been killed. The people to whom we talked, of course, claimed there had been no opposition to collectivization during this period of time.

These were Soviet statistics—they weren't something made up by people in the United States—so we asked how they explained what had happened to the Kazakhs. They just couldn't explain it. They were completely at a loss. The chief judge at Alma-Ata said that some of them were misled and fled over the border to China and now were coming back. But, once they admit even that, they admit there was opposition to the Russian program.

In addition, there were stories that these people slaughtered large amounts of their cattle rather than turn them over to the state. In Soviet Central Asia from 1928 to 1937, the number of sheep and goats was reduced to almost one third—18 million to less than 6 million.

During the same period of time horses and cattle declined from a little over 5 million to 2.5 million. The region's total livestock herd in 1934 was only about 45 per cent of what it had been in 1928. This gives you an indication of what was taking place in the area.

Q These animals were slaughtered by the Kazakhs themselves?

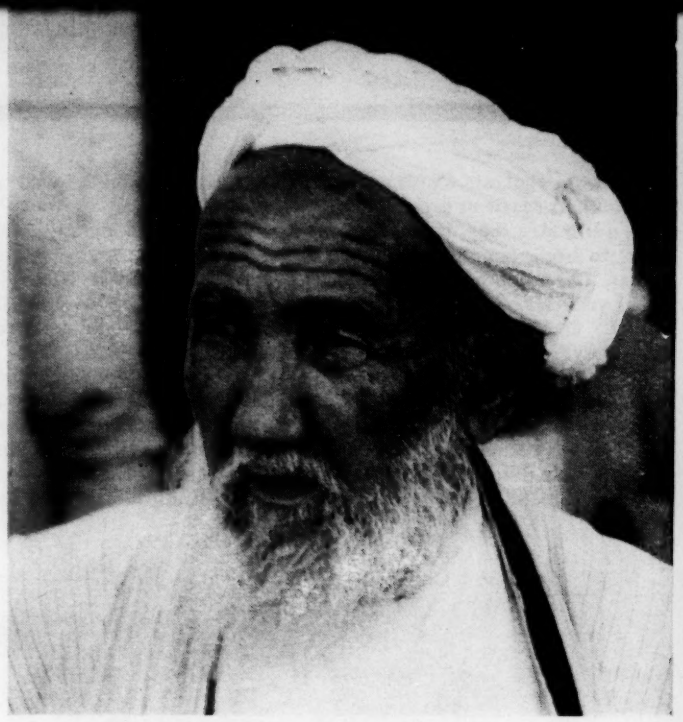
A Yes, and by their neighbors in the other four republics of Central Asia.

Q Are there any Europeans in there?

A Russians, of course, but very few others. We asked in various places, but there hasn't been more than a handful of visitors into any of these areas in Central Asia. We saw a lot of Chinese up in Siberia when we went through there—planeloads coming through.

Q How far over in Siberia did you get?

A It was an interesting story why we went to Siberia. We wanted to go there for a short visit anyway, but we had wanted to go up into the "new lands" in Kazakhstan to see the "virgin lands" program. We wanted to go up through a city called Karaganda, and then continue north and west, stop and inspect the new-lands program and then go on up through Siberia to Moscow. We told our guide that we wanted to stop at Karaganda on the way. Several days later our guide came to us and told us he had found a better area for us to visit the virgin lands.



UZBEK MAN leaving a mosque

KAZAKH women at a collective farm

We asked whether we should drive, and he said it was probably better for us to take a plane. In consultation with the local government officials, we were told that to fly to this new area would take about an hour and that we could go on to Karaganda from there.

We asked whether we should leave our clothes in Alma-Ata, where we were, and stop to pick them up on our way to Karaganda, but they advised us to take them along with us. We boarded the plane early one morning, and six and a half hours later and more than 1,000 miles away we got out. We had been shipped to Siberia. Then they told us we couldn't go to Karaganda as there were no planes there.

We wanted to get to Karaganda because it was in Central Asia and because it was a coal-mining district. In addition,

FRUNZE: Old couple and children are waiting for a bus

ASHKHABAD men are Turkish-Mongolian mixture

MOSLEM leader (third from left) poses with assistants

there was industry and copper mines that we wanted to see. So we told them if there were no planes we would take the train back to Karaganda. They said there are no trains out of there, and the only thing to do was to go north and get a plane out of Novosibirsk.

We stayed and inspected the virgin-lands program in Barnaul, and several days later flew on to Novosibirsk. There they told us we could not possibly go to Karaganda, there were no planes and the trains were bad and, anyway, it was too far. We told them we were planning to go back no matter how difficult it might seem. So we started back. When we had gotten within a reasonable distance we were told by the local government officials, "We've got orders from Moscow that you can't go there."

We found out later that there were trains from Barnaul to a city very close to Karaganda and that we could also have gotten a plane from Novosibirsk to a city very close to Karaganda. In addition, we learned that we never had to go to Barnaul in the first place because there are very important virgin lands right outside Karaganda.

Q How do you explain that run-around?

A We learned in Moscow that Karaganda is one of the great slave-labor camps in the Soviet Union. Some of the Spanish soldiers, volunteers of World War II who were released last year, had been working there and have told about it. The Russians didn't want us to see it. But they never said no—just gave us the run-around until they saw we were going to get there.

Q So there is no freedom to travel there?

(Continued on page 136)

Now in a BIG WAY
REVERE
ALUMINUM
COPPER ★ BRASS
REVERE
ALUMINUM
To manufacturers whose building products are competing for a place in the more than a million homes, farm buildings, schools, apartments, office and public buildings that are going up this year, Revere Aluminum offers attractive new opportunities.
It offers the ultimate user the advantage of strong, light-weight products that are high in serviceability and attractiveness and low in their need of upkeep. It offers the manufacturer almost unlimited scope in design plus the competitive feature of ready workability for low-cost and fast production.
Revere Aluminum is available in the forms of tube, extruded products, coiled and flat sheet, circles, blanks, awning stock, bus bar, forgings, Lockseam tube, rolled shapes, and foil. Revere Copper and Brass Incorporated, Founded by Paul Revere in 1801, 230 Park Avenue, New York 17, N. Y.
REVERE KNOWS ITS A-B-C's
ALUMINUM BRASS COPPER

Worldgram®

FROM THE CAPITALS OF THE WORLD

PARIS....TEHERAN....RIO DE JANEIRO....

>> Keep this in mind as Soviet diplomats talk about peace.....

Russia's capacity for war has never been greater since World War II than right now. This is stated as a hard fact in secret reports of military commanders of the North Atlantic Treaty Organization to civilian leaders of NATO.

Russia's intent is something else again. Military intelligence does not say that Russia is going to war. But, remember, the capacity is there.

>> At sea, Russia has not in the past been considered a major power. Now...

Soviet submarines total more than 300. That gives Russia more submarines than all other nations of the world combined, including U.S. and Britain. And that's from U.S. Admiral Jerauld Wright, reporting for NATO's naval command.

Why submarines? Well, Nazi Germany, with only 65 submarines when World War II began, almost cut the Atlantic sea lanes. Today, with more and better submarines, with Europe more than ever dependent on U.S. aid delivered by sea, Soviet submarines can try to split the Western Alliance with an undersea wedge.

>> On land, Russia and the satellites have announced a reduction of 800,000 men in their armed forces. That sounds peaceful--but not to military experts.

Soviet land and air power has so improved in quality, in mass-production techniques, in nuclear weapons, that the reduction in manpower is meaningless. So says British General Sir John Whiteley, chief of NATO's staff in Washington.

Western manpower, at the ready in Europe, is weaker than it has been for years, now that France is sending all her first-line troops to North Africa, out of Europe. That isn't said publicly. It's true nonetheless. Russia knows it.

>> Germans, now more than ever, are needed for the defense of Europe. West Germany, as a result, is getting a rough lesson in the facts of life.

As a new member of the NATO club, a sovereign West Germany sent in its own estimate of its dues--a budget of $2,143,000,000 for armament, a plan for raising, housing, equipping and training 500,000 soldiers in three years.

"Inadequate," said the NATO review committee. The West German offer was sent back to Bonn with tart comments from other members of the NATO club. German performance, they said in effect, was not up to German promises.

A speed-up in the actual enlisting, arming and training of German troops is asked to meet or better the three-year target. Fast action is wanted.

>> The lid is on the Middle East, and Moscow doesn't like it.

From the Arctic to the Himalayas, from Norway to the frontiers of India, a single gap in Western defenses has yawned wide, inviting. Now it's plugged.

(over)

Iran has agreed to join the "Northern Tier," a defense alliance which ties Turkey, Iraq and Pakistan to Britain and, through Britain, to the U.S.

Twice, since World War II, Russia has had its foot in the door of Iran. Once, in 1946, Russian troops in Northern Iran refused to leave until the United Nations took up the matter. Again, in 1953, Communist-led mobs almost took Iran from the inside. Then Iran's Army rose and brought back the Shah.

This time, Russia's protest is loud, as expected. Iran is reminded of a 1921 treaty which gives Russia the right to move into Iran if the country is used as a base of attack against the Soviet Union. That's a Russian threat.

>> Iran, says Moscow, is threatening "peace and security" in the Middle East.

From an arms peddler, such words seem a grim joke. Much of the Middle East is in an uproar because Soviet Russia is offering to sell arms to Arab countries. An Arab-Israeli war, thanks to Russia, looks more likely now.

>> Deeper in the Middle East, under the "Northern Tier," Communists are busy.

A trade fair in Damascus, capital of Syria, shows the trend. U.S., France --even Britain, Syria's biggest supplier--had no official stands at the fair. Neither did Russia. But six Communist countries, even Red China, had big exhibits, pushing Communism, not goods. Syrians, though buying British, were impressed.

Fast work in Cairo helped Russia, too. While U.S. diplomats, without success, were trying to block Egypt's arms deal with Communists, Soviet diplomats in Cairo were quietly talking to a neighboring country, Libya. Now the U.S. learns that Libya, with a big U.S. air base, is to get a big Soviet embassy.

>> An American country larger than the U.S. may have voted for more trouble.

Elections in Brazil are over. The winners are a politician, Juscelino Kubitschek, for President; a labor leader, João Goulart, for Vice President.

An Army revolt may be next. The winning candidates were close to Getulio Vargas, who shot himself a year ago when the Army ordered him to quit the Presidency or take a vacation. The Army doesn't like the new men, either.

Grafters and gangsters who flourished under Vargas are maneuvering to get their hands back in the Brazilian Treasury, though it's almost bare now.

The cruzeiro, Brazil's currency, is sick and sinking. Business suffers.

Communists, though outlawed, voted for winning candidates. They're happy.

Inauguration of the new President is slated for January. But the gossip in Rio's coffee houses is that the Brazilian Army may not wait for the ceremony.

>> Soviet Russia and Great Britain are swapping visitors eagerly. Engineers, teachers, lawyers, doctors, entire orchestras and ballets come and go between Moscow and London. Still, the British Admiralty has its reservations.

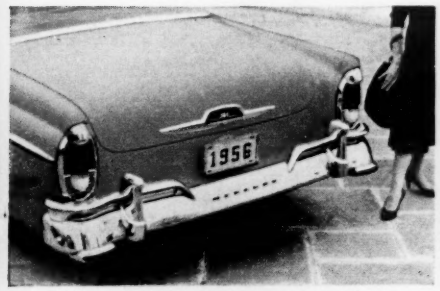
Latest-exchange involved naval visits. To British ports came six Soviet warships. To Leningrad went six British warships, including an aircraft carrier, "Triumph." But "Triumph," an old ship, offers hospitality, few secrets.

A British naval expert called this carrier "the nearest thing to a floating cocktail bar which can get up the Neva River and tie to the dock."

>> In Laos, a kingdom of Indo-China, the Royal Army caught up with rebels led by Communists. Once again Communists asked for a cease-fire. Once again it was accepted. War is over--until the Reds are ready to shoot--once again.

Front, back, inside, and out — there's no mistaking THE BIG M

ANY WAY YOU LOOK AT IT—there's big news in THE BIG M. For 1956 Mercury offers fresh new color styling, with new Flo-Tones (illustrated), as well as two-tones and solids, to suit every taste. Mercury's all new 210 and 225-horsepower V-8 SAFETY-SURGE engines deliver that extra margin of power where and when you need it—for split-second pickup, safer passing, easier hill climbing. Another mark of Mercury leadership is Mercury's 10 new Safety-Engineered features for added driver and passenger safety.



NEW TAIL-LIGHTS SAY "MERCURY" As it glides ahead with all its quiet, smooth new "go," THE BIG M's new look is wide, low and lovely.

NEW INTERIOR DESIGNS SAY "MERCURY" Rich, colorful nylons and vinyls add the look of luxury to the feel of spaciousness everybody wants to have.

BIG M CREST, GRILLE, HEAD LAMPS—ALL SAY "MERCURY" There's so much to see! 12 magnificent new models in 3 exciting series! And a new fleet of low-silhouette hardtops!

MERCURY DIVISION • FORD MOTOR COMPANY

For 1956—the big move is to THE BIG MERCURY

A MAGNIFICENT VALUE IN THE FORD FAMILY OF FINE CARS

PROGRESS THROUGH ANACONDA METALS

Cable that helps a single track do double duty

THE PROBLEM: A fast freight train rushes through the morning at 60 miles an hour. Up ahead, a slower freight moves in the same direction on the same track. With perfect timing, the latter switches to a siding while the first passes. Both keep to schedule.

The man who maneuvered the signals sits behind a panel board miles away. Twinkling lights on the track model at the top of his board tell him the exact location of a score of trains. With the flick of a finger he controls traffic over a hundred miles of track or more.

A complex system—called centralized traffic control or CTC for short—enables railroads to make one track do the work of two . . . maintain schedules, insure safety, and eliminate time lost by trains waiting on sidings.

CTC works on nerves . . . nerves of copper. But because only a little current is used, even a small loss might be serious.

THE SOLUTION: For such vital circuits, railroads depend on wire and cables such as those developed by engineers of Anaconda Wire & Cable Company. In Anaconda's line is a full range of cables with insulations and protective coverings for every type of condition—with high reliability and long life. Rubber insulated cable that resists heat, moisture and adverse soil conditions. Plastic cable impervious to weathering. And where special problems are involved, skilled engineers from Anaconda work closely with the railroads to produce the right cable for the job.

THE FUTURE: This is a typical example of how Anaconda and its manufacturing subsidiaries help *all* industry with a healthy combination of experience in both nonferrous metals and in engineering. The *Man from Anaconda* offers you assistance with the most extensive line of nonferrous metals and products in the world—from arsenic to zinc. Call him today. The Anaconda Company, 25 Broadway, New York 4, N. Y. 55227

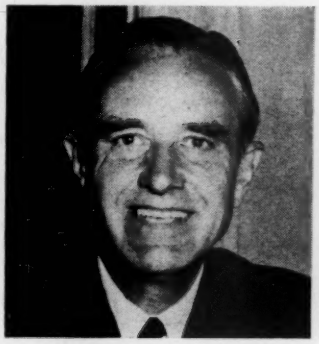
ANACONDA®

THE MEN .. Democrats of '56 **THE NEWS** .. Who Will It Be?

Adlai's Ahead—but He's Not a Cinch

It's a battle for the Democratic presidential nomination. With 10 months until Convention time, the field has narrowed to Mr. Stevenson, Governor Harriman and Senator Kefauver. Mr. Stevenson, although slipping a little, is still considered the man to beat. Here are the men who will be making political news.

ADLAI STEVENSON



AVERELL HARRIMAN

—USN&WR, Wide World

ESTES KEFAUVER

THE CONTEST for the 1956 Democratic presidential nomination already has developed into a grim, three-way tussle involving:

Adlai E. Stevenson, the 1952 nominee, who now is rated ahead but is on notice that he must get out and fight to hold his advantage;

Governor Averell Harriman of New York, eagerly awaiting the right moment to announce his already obvious candidacy, encouraged by a lift from former President Harry S. Truman; and

Senator Estes Kefauver, the Tennessee vote getter who, as in 1952, is expected to pile up Convention ballots in the State presidential primaries.

Of the three, a new Gallup Poll, taken since President Eisenhower's heart attack, puts Mr. Stevenson far in the lead. It does not, however, tell the full story. Political experts consider the race wide open. All three, Mr. Stevenson included, face formidable difficulties.

Enter Mr. Truman. Contrary to the general impression, Mr. Eisenhower's expected withdrawal has increased Mr. Stevenson's problems. State Democratic chairmen, other party leaders will have more to say about choosing the nominee than the Democratic voters interviewed by Mr. Gallup's representatives.

Many of these leaders previously had pledged Mr. Stevenson their support. Sensing victory ahead, however, some of them now want to pause, re-examine the field, put all—and particularly Mr. Stevenson—through a new testing period. Mr. Truman is considered typical of this group. He had endorsed Mr. Stevenson repeatedly, but he went to New York, spoke flatteringly of Mr. Harriman and then withdrew to a position of neutrality.

This was abundant notice to Mr. Stevenson that he cannot, as in 1952, sit still and have the nomination dropped into his lap. Instead, he must get out and work for the prize, campaign, make a fight of it, show that he can pile up votes.

The hard-hitting "give 'em hell" campaigning of Mr. Truman is, of course, out of character for Mr. Stevenson. The latter prefers a loftier, more intellectual approach, rounded sentences, avoidance of personalities. This made him many backers in 1952, but failed to reach or impress a majority of the voters. Mr. Truman and some other professionals were disappointed in their nominee.

Mr. Stevenson and his advisers have been planning a campaign for the nomination similar to the 1952 program he followed against Mr. Eisenhower. Their schedule calls for perhaps three, probably not more, of Mr. Stevenson's polished speeches a week. He is deluged with invitations to address party rallies, fund-raising dinners and nonpolitical organizations, thus has an abundance of available rostrums.

The primaries. Members of the Stevenson group—and their candidate himself—are hesitant about entering the series of presidential primaries that begins in March and continues until early June. They frankly would prefer to avoid these tests of strength if possible. But they may find themselves overruled by circumstances.

Highly placed Democrats, including some who openly favor Mr. Stevenson, are demanding that he go into some primary elections, at least, and show what he can do. Their view is that he cannot afford to stand aloof, give the appearance of ducking these contests. The expectation is that in the end this view will prevail.

In the primaries, Mr. Stevenson would find himself squarely up against Mr. Kefauver, who has a demonstrated ability to attract votes. One of the characteristics of these primaries is that they have little or no practical value for the winner, but can ruin the loser.

Mr. Stevenson, lawyer, former Governor of Illinois, now is vastly more experienced than in 1952. He continues, however, to be introspective, sometimes hesitant, and he has been turning issues over in his mind. As a result, he soon may be faced by a demand for clarifica-

(Continued on page 74)

Now! High Fidelity
error-free, cost-free
dictation with
MATCHLESS
SIMPLICITY

Comptometer announces a revolutionary new dictation machine that pays-for-itself as you enjoy years of the finest high fidelity, magnetic dictation. Now dictation becomes as easy and natural as talking to your secretary. The amazing lifetime guaranteed magnetic Erase-O-Matic belt can be used thousands of times over again. No expensive discs, cylinders or records to continually buy. The letters you dictate are so error-free...so easy to understand, because of the high fidelity voice reproduction, it makes *any* typist a secretary. Here truly, is America's finest machine with savings that now bring dictation within the means of every business. Mail coupon for complete information on this compact electronic achievement by the makers of the world renowned Comptometer Adding-Calculating machine, since 1886.

ft Comptometer
Dictation Division
Felt & Tarrant Mfg. Co.

COMPTOMETER Dictation Division
Felt & Tarrant Mfg. Co., 1726 N. Marshfield Ave., Chicago 22, Ill.
Gentlemen: We are interested in the Comptometer Office Dictation-Transcription Machine with the Lifetime Guaranteed Erase-O-Matic Recording Belt. Without cost or obligation:

☐ Arrange for a Demonstration ☐ Arrange for a Free Office Trial
☐ Please send Complete Information

Name_____ Title_____
Company _____
Address _____
City_____ County_____ State_____

Harriman may avoid a test in primaries . . .

tion of his views on labor, the farm problem, power policy.

Mr. Stevenson's friends are undiscouraged by the new developments. They regret the withdrawal of Mr. Truman's avowed support, of course, but say there has been no rush among party leaders to follow his example.

Waiting game. Any time that Mr. Stevenson falters, makes a misstep, however, Governor Harriman is waiting, ready to jump into the contest. He has been embarrassed, restrained by an earlier commitment to support Mr. Stevenson. After Mr. Truman's action, however, he shifted his ground, somewhat to the bewilderment of both politicians and the public.

—Talburt in the Washington Daily News

"COOKING ON BOTH BURNERS"
The situation changed

The Governor said that his repeated statements that he was "for Adlai" did not mean he was morally bound to vote for him at the Convention. The New York delegation will decide for whom it will vote, he added, which to the politicians meant that Mr. Harriman and Carmine DeSapio, leader of Tammany Hall, would make that decision.

Governor Harriman still maintains that he is not a candidate, however, that he still is "for Adlai." That position, his backers say, makes it possible for him to avoid the hazards of the presidential primaries. And Mr. Harriman adds that, as Governor of New York, he will be too busy to take time for them, anyway. If his candidacy is pushed much harder, however, many politicians foresee a demand that he, too, show himself in the primaries.

. . . The South: in the bag for Stevenson?

The Harriman fortunes are considered to be in capable, professional hands. Mr. DeSapio, more than any other individual, made Mr. Harriman Governor of New York. He has kept in close touch with other Democratic organization leaders, not demanding commitments, as yet, but reminding them that the New York Governor is in the field and that their Convention ballots may be requested later.

Governor Harriman's appeal is first of all to the Northern "liberals," particularly those in labor or minority groups. He was an integral part of the New Deal and the "Fair Deal," held positions of great responsibility under both President Roosevelt and President Truman. Despite

–United Press

HARRY TRUMAN
He called the signals

being a man of great wealth, he pushed policies that are anathema to "conservatives."

For that reason, Mr. Harriman finds little favor in the South. A top party leader, a Southerner, says, in fact, that Mr. Harriman will not get the backing of a single delegate from that area. The South is counted increasingly in the bag for Mr. Stevenson.

Campaigner. Mr. Kefauver, in fact, has little support from party leaders, the professionals, in any area. He always has been an independent, a lone wolf. His televised crime investigation of several years ago got him a large popular following, but it alienated many party leaders by showing a connection between crime and some big-city, Democratic political machines.

(Continued on page 76)

Everyone's Bidding for It!

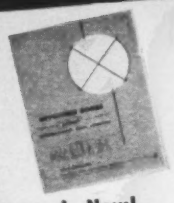
When all the bids are in, more people call for Black & White than any other Scotch Whisky. Its quality and character never change.

"BLACK & WHITE"

The Scotch with Character

BLENDED SCOTCH WHISKY 86.8 PROOF

THE FLEISCHMANN DISTILLING CORPORATION, N. Y. • SOLE DISTRIBUTORS



Ready Now! Your New 1956 Entrance-Planning Manual . . .

REVOLVING DOOR ENTRANCE DIVISION
INTERNATIONAL STEEL COMPANY
2061 Edgar Street, Evansville 7, Indiana
Send me without obligation my personal copy of the new 1956 International "Entrance-Planning Manual."

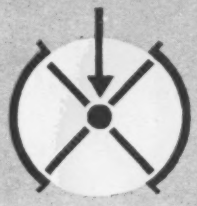
NAME AND POSITION _____

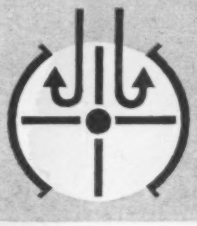
FIRM _____

ADDRESS _____

CITY _____ ZONE _____ STATE _____

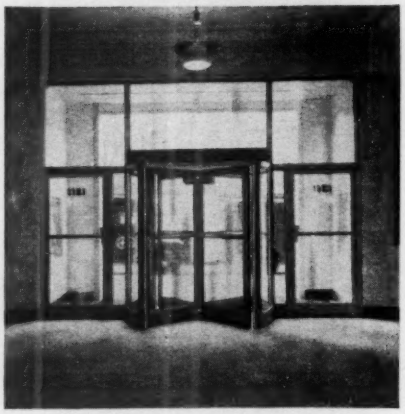
HOW REVOLVING DOORS seal out drafts





At least two wings of a revolving door entrance always contact the circular enclosure wall. Thus a draft cannot be created through revolving doors, because they are *always closed—yet always open*—admitting only about 26 cubic feet of outside air each time used *97% less than admitted by a swing door entrance.*

Even in coldest weather, no drafts get past an "always open — always closed" revolving door entrance. There's no build-up of stack draft and wind pressure that make swing doors stubborn. No chilling blasts and clouds of dust whip down corridors and up stair wells. Instead, all floor space is made profitably usable right up to the doors . . . interiors are kept cleaner and more comfortable . . . with resultant savings on heating and redecorating costs which can soon pay for a revolving door entrance. And that's only part of the big cost-saving story contained in the new International Entrance-Planning Manual.



New International Revolving Door Entrance at the Investment Building, 15th and K Sts., Washington, D. C., which replaced revolving doors in use for 40 years.

See Sweet's Architectural File

INTERNATIONAL — ALWAYS OPEN — ALWAYS CLOSED — VAN-KANNEL

REVOLVING DOOR ENTRANCE DIVISION
2061 EDGAR ST. EVANSVILLE 7, IND.

INTERNATIONAL STEEL COMPANY

. . . Politicians respect Kefauver's voter appeal

So Mr. Kefauver takes his campaign directly to the people in the primary contests. Presidential primaries are scheduled in at least 18 States in 1956, Alaska and the District of Columbia. They involve a total of 620 Convention delegates, or four more than a majority. In a number of States, however, the primary results are not binding.

In 1952, Mr. Kefauver, the tall man in the coonskin hat, campaigned in primaries from coast to coast, displaying the political techniques that took him from a Tennessee law office into the U. S. House of Representatives and Senate. He met as many people, shook as many hands as possible. A slow drawl and folksy approach got him enough votes to put him in the lead on the first two Convention ballots. On the third, Mr. Stevenson won.

Many of Mr. Kefauver's adherents were indignant and remain so. They contend the party leaders euchered the Senator out of the nomination. Many are ready to support him again. While Mr. Kefauver has been making a long European and Asian tour, Kefauver clubs have sprung up in several places, notably California. No politician underrates the Senator's vote-getting ability.

Some politicians, however, have been re-examining the 1952 Kefauver campaign. In New Hampshire, Mr. Truman's name was on the ballot, against the latter's will, and Mr. Kefauver won. Elsewhere, it has been noted, Mr. Kefauver usually had only nominal, or hastily improvised opposition.

Opinions are divided as to how Mr. Stevenson and Mr. Kefauver might fare if they oppose each other in next year's primaries. But there is general agreement that these elections are to have a greater meaning than ever in the past.

Age and health. Owing to President Eisenhower's heart attack, more than usual attention probably will be paid to the age and health of the candidates. Mr. Harriman is 63, a factor that may work in his disfavor, although he is trim and in excellent health. Mr. Stevenson is 55, but has not been well. Within the last two years, he has undergone surgery for gallstones and suffered an attack of bronchial pneumonia. Mr. Kefauver is a robust 52.

Triple melee. So the race remains an open contest among these three. There are suggestions that a Harriman-Kefauver ticket might be the result, especially if the Senator does well in the primaries. This, however, would have adamant opposition in the South. Thus, as things stand, Mr. Stevenson remains, in the best political opinion, the man to beat, but one who can hardly be considered a winner now.

From Vice President Nixon:

HERE'S IKE'S ANSWER TO THE FARM PROBLEM

In all the guessing about how Republicans intend to deal with the farm problem, politicians are examining a formula laid down by a spokesman for the Eisenhower Administration.

Vice President Nixon proposes to—

- **Whittle down surpluses and raise farm prices with flexible price supports.**
- **Open new markets at home and abroad with "bold, imaginative" programs.**
- **Ease current hardships with quick emergency action, such as relief to drought areas and buying pork to stabilize the hog market.**

This is a preview of plans to win farm votes in 1956.

Following is full text of an address by Vice President Richard M. Nixon at the National Plowing Contest at Wabash, Ind., on Sept. 17, 1955:

The great majority of those in this audience are concerned primarily with the question of farm income in the United States. I want to discuss that problem frankly, honestly and as objectively as possible.

It is time to talk sense on the farm issue and to stop the demagoguery. There has been too much of a tendency in recent months to make a political football out of this issue.

On the one extreme, the farmer is being told that he is in a depression as bad as that of the 1930s.

On the other extreme, there are those who say the farmer is doing as well as he is entitled to expect.

And there are some who suggest that, while the farmer may not be as well off as he might be, nothing can be done about his plight, and all he can do is to grin and bear it.

At the outset I want to state bluntly, without beating around the bush, what I understand to be the position of the President, the Secretary of Agriculture and the other leaders of this Administration.

- We believe that you can't have a sound national prosperity unless it is based on a sound and prosperous agricultural economy.
- We do not believe that America's farmers are getting their fair share of America's unprecedented prosperity.
- We shall continue to explore every possible program which will remedy the inequity that exists.

Now, let us see what the problems are and what is being done under present programs to solve them.

First, what is the financial condition of America's farmers today?

There are several standards which can be applied.

There is the parity ratio. Parity reached its high point during the Korean war in 1951 at 113. When the Eisenhower Administration came to Washington in January, 1953, it had dropped to 94. Today it stands at 84

That parity is not a true indication of the financial well-being of the farmer is illustrated by the fact that in 1937 the parity ratio was 93, and certainly no one would contend that the farmer was better off in 1937 than he is now.

A truer measure of the farmer's financial condition is his per capita net income. Parity indicates the prices the farmer is receiving for his products. Per capita income is determined by multiplying prices times volume of sales and subtracting costs.

In 1951, per capita income was $970. In 1953, it was $904. In 1954, it was $907.

When we consider the fact that per capita income was $244 in 1939, it is somewhat ridiculous to claim that the farmer is as bad off now as he was before World War II.

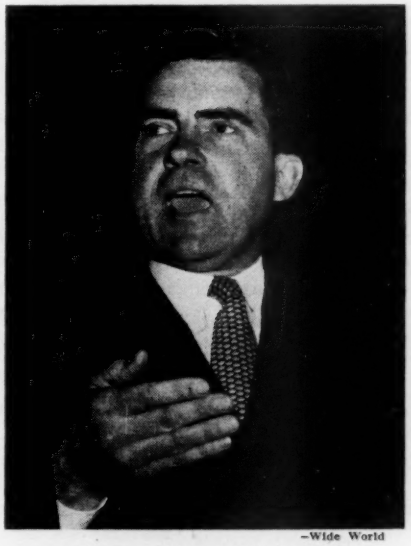
A third measure of the farmer's financial well-being is the value of his assets.

The value of land and equipment owned by farmers in 1955 was 163.5 billion dollars. This was 2 per cent higher than 1954, and only a very little less than the all-time-high record reached in 1952 during the Korean war.

The average equity of a farm family in America—their assets less their liabilities—is $22,000. This is $5,000 more than the average net worth of nonfarm families.

But there is another figure which must be taken into account in drawing a true picture of the economic condition of the nation's farmers. Prices received by farmers for their products have gone down 13 per cent since January, '53. The prices paid by farmers for their supplies went down only 2 per cent in that same period.

What do these various statistics add up to? These conclusions seem reasonable:



—Wide World

VICE PRESIDENT NIXON

(Continued on page 78)

. . . "We must find a way to reduce the surplus"

- There is no farm depression in the United States.
- Our agriculture economy is basically sound.
- But farmers are undeniably caught in a squeeze. The prices of the things they sell have gone down faster than the prices of the things they buy.

What is the objective of this Administration?

There has been some debate recently as to what the President said in speaking to this same gathering in Kasson, Minn., during 1952. It has even been claimed by some that the President broke his word to the farmer when he supported the farm legislation passed during the 83d Congress.

What Ike Promised Farmers

I just want to make one thing clear right here and now. We have a man as President of the United States who has never been known to break a solemnly given promise during his 40 years of distinguished service to his country. And the farmers of America can be sure that he is not going to begin by breaking his word to them.

Here is what he said at Kasson: "I stand behind the amendment to the basic farm act which continues through 1954 the price support on basic commodities at 90 per cent of parity."

That promise has been kept.

He also said: "I firmly believe that agriculture is entitled to a fair, full share of the national income and it must be a policy of Government to help agriculture achieve this goal in ways that minimize Government control and protect farmers' independence. All I know of farmers convinces me that they would rather earn their fair share than to have it as a Government handout. And a fair share is not merely 90 per cent of parity but full parity."

That was the position of the President in 1952. It is his position now. And the farmers of America can be sure that he and everybody in his Administration are working unceasingly toward the goal of carrying out the President's commitment that the farmer should receive full parity in the market place.

What can be done to achieve this goal?

The answer to this question can be found only if we find the answer to the question as to why farm prices have gone down.

Let's lay one mistaken theory to rest right away. The new flexible-parity law cannot by any stretch of imagination be held responsible for the drop in prices.

Almost two thirds of the drop took place before the Eisenhower Administration took over in 1953.

The new law did not go into effect until this year.

The five basic crops supported by parity constitute only one fifth of total farm production in the United States.

And the new parity formula has been applied to only one of these commodities, this year's wheat crop.

The cause of the drop in prices is not the law, but the market. Eight billion, five hundred million dollars' worth of surplus farm commodities hang over the market. The price has inevitably been forced down. Where did this surplus come from? There are two basic causes:

- The abnormal production caused by the war.
- The rigid parity formula percentages of the previous law which guaranteed the producer a price even if there were no sale for his products.

Therefore, if we want to get at the cause of lower prices, we must find a way to reduce the surplus.

The problem is twofold. One of the causes is too much production. The other is too little consumption. Our program therefore attacks the problem on these two fronts:

- On the production front, a new flexible-parity formula has been adopted so that farmers will not be encouraged to grow crops already in surplus.
- On the consumption front, we are finding new markets for farm products.

Let's face it—for years those who had the responsibility for dealing with the farm problem buried their heads in the sand. They refused to face up to the issue. They said in effect, "Let the Government buy the products. Someone else can worry about the surplus."

We decided that it was essential to develop an effective program to increase consumption of farm products as well as to reduce the production of crops in surplus.

Under the plentiful-food program of the Department of Agriculture, we have increased consumption at home. Today the American people are eating more beef, eggs, chicken and turkey than ever before in history. And we have begun to do something that should have been done long ago—to find new markets for America's farm products abroad.

The success of our efforts in this direction is indicated by the fact that under the Agricultural Trade Development and Assistance Act passed in the 83d Eisenhower Congress one half billion dollars' worth of farm products has been sold abroad that would not have been sold otherwise. And in two years, we expect this figure to go over one billion dollars.

Our exports for the first 10 months of fiscal year '55 are 9 per cent over a similar period last year.

New Foreign Markets Sought

I talked to Secretary [of Agriculture] Benson just before I left Washington, and he is tremendously encouraged that we shall find additional foreign markets for our farm products.

Will our program of controlling production through flexible parity and increasing consumption through developing new markets work?

Let us examine what has happened in the case of dairy products.

In 1954 there were large surpluses of dairy products and prices were falling.

Secretary Benson acted in two ways: He reduced parity to 75 per cent; he went after new markets.

Here is what has happened: In the case of surpluses, CCC stocks are down 50 per cent since June, 1954, and Government purchases are 56 per cent below a year ago; in the case of markets, cheese consumption in '55 is up 10 per cent over 1954, and butter consumption is up 6 per cent.

The important result to note is the effect on dairy farmers: The critical milk-feed ratio in August was 9 per cent above a year ago and is as favorable today as at any time in the past 10 years.

What else can we do to assure that the farmer gets his fair share of America's increased prosperity?

We believe research should be expanded, working toward these objectives:

Lower costs of production.

More efficient distribution.

More uses for farm products.

Here again we found that the previous programs had not been adequate. From 1951 to 1953 there was no increase whatever in funds for research. In 1954 we increased the amounts for agricultural research by 2.6 million. The 1955

(Continued on page 80)

When you plan your Annual Report remember

MEAD papers

When time is a big consideration—when quality in a job is all-important—it pays to rely on Mead Papers. Printers and lithographers know and recommend Mead Papers for top performance and results. They know that their uniformity and quality will save time and trouble while the job's on press—that you'll get the kind of job you want at the price you planned to pay. Remember, there's a paper made by Mead exactly suited to your needs. For example, if you print by letterpress, there is Mead Black & White Enamel—the aristocrat of fine coated papers—easy to print, easy to handle. For offset lithography there is Mead Moistrite Offset, a name that's synonymous with smooth printing and folding. Both are standard products of The Mead Corporation. Both are always available.

THE MEAD CORPORATION

"Paper Makers to America"

Sales Offices: The Mead Sales Company, 118 West First Street, Dayton 2, Ohio • New York • Chicago • Boston • Philadelphia • Atlanta

. . . Administration's aim: "Maximum freedom from controls"

figure was 12.3 million over the 1954 figure, and the 1956 figure will be 8 million over 1955.

Two examples will indicate the tremendous unexplored possibilities of expanded agricultural research:

Hybrid corn has probably added more dollars to agriculture's income than any agricultural development of the century.

Today we are producing 80 times the volume of soy beans we were 30 years ago. It is a billion-dollar industry.

Why? Because research opened broad new markets not only for human and animal foods, but for paint and plastics.

When we consider that the average farmer in the United States produces five times as much as does the average farmer in the Soviet Union, we see a vivid picture of what more effective production methods can do.

A Five-Point Program

Here, then, is this Administration's long-range program for agriculture:

- A flexible-parity system aimed at keeping surpluses under control.
- A bold, imaginative program aimed at developing new markets at home and abroad.
- Increased research to reduce costs of production and distribution and increased uses of farm products.
- Continued soil conservation, Rural Electrification Administration, and other programs designed to protect the value of the farmer's investment and improve his living conditions.
- A program of rural development, to aid the marginal farmer.

This program has as its aim:

- Full parity in the market place for farm products.
- Maximum freedom for the farmer from Government controls.
- An ever-increasing standard of living for farmers and the American people.

We think this program is basically sound.

We think it will work.

We believe in it.

But we also realize that because of our huge inherited surpluses the achievement of our goals will in some instances take time.

Farmers justifiably ask the question: What about the hardships which develop during the transition period?

I can assure the farmers of America that this Administration will never stand idly by when disaster threatens our farmers or any other segment of American society.

You have only to recall the fast and effective action of the Government in providing relief to areas affected by drought.

The record with regard to beef cattle is also pertinent on this score.

In 1953 when we came to Washington we found that prices were controlled, grading of beef was compulsory, and prices were going down.

We first removed Government restrictions. Then in the fall we ordered a vast purchase program of boneless and carcass beef to help stop the decline in prices.

The result was that the market was stabilized.

I have heard concern expressed over the effect the extraordinarily heavy hog production may have on pork prices. We, of course, are not sure yet just what will happen to the market. But I can tell you that the machinery is ready in the Department af Agriculture to go into action promptly in the event it becomes necessary to avoid a price drop which would bring real hardship to hog producers.

May I also say that, while we believe that our over-all program is sound in the long run, we have no false pride of authorship. If anyone can offer a better program, we want to hear about it.

I can tell you that several proposals which would supplement our basic program are under consideration today in the Department of Agriculture. Of those who criticize the Administration's program, I ask: What is their alternative?

Do they want to go back to the rigid parity program that helped create the surplus which is one of the major causes of the drop in prices?

Do they want us to kill little pigs, plow under every three rows of cotton and paint potatoes blue?

Do they advocate the Brannan farm plan, which would tell the farmer what to grow, how much, and the people what to eat?

Do they advocate the dumping of farm products abroad which would have a disastrous effect on our allies, as well as on our foreign markets?

We welcome criticism of this program or any other Administration program. But I say the critics have a responsibility to the farmer and to the nation not just to say what is wrong but to offer a constructive plan which they think is better than the one which is in effect.

May I say finally that, as we consider our difficulties in finding a solution to this problem, let us never forget that we have much to be thankful for on this day.

Mrs. Nixon and I have had the privilege of visiting 30 countries during the past two and one-half years. We have seen great sights and met fine people, but you have only to travel abroad and then through America to realize what a great and good land this is.

Highest Standards for U. S Farmer

We can be thankful that our farmers, as well as the rest of the American people, enjoy the highest standard of living in the world.

We can be thankful that our problem is surpluses rather than deficits. In Japan I saw farmers with a family of six subsisting on a farm no larger than a tennis court. In India per capita income is approximately one twentieth of that of the farm families of the United States.

We can be thankful that in no land in the world today is the freedom to speak, to travel, to worship, to work, to invest, to save greater than it is in America.

We can be thankful that we are at peace.

May I say that I have found no group in America which believes more deeply than our farmers that war is too high a price to pay for prosperity.

I can assure you that we in this Administration believe that in the long run the prosperity we can achieve and enjoy in peace will be infinitely greater than any we ever had in war, and our every effort will be dedicated toward that end.

We can be thankful that we have as President a man who is a symbol of the cause of peace to the whole world; a man whom every American can proudly hold up to his children as one who has faith in God, faith in America, and who has brought dignity and respect to the highest office in this land.

I pledge to you the dedicated support of the President, the Secretary of Agriculture, and every man and woman in this Administration of programs to provide for the American farmer, without whose magnificent efforts our great prosperity would not be possible, his fair and full share of that prosperity in a world at peace.

MARINE MIDLAND BANKS KNOW NEW YORK

First In Education

The Empire State has 155 colleges and universities teaching the arts and sciences to more than 300,000 students.

Each year these institutions send thousands of well-trained people into the state's business and industry. Consider these facts in your plans for expansion or research.

Marine Midland banks know the importance of higher education in the future of our economy and support it with unique budget loans for students. Basic support is given through underwriting of municipal bond issues for school construction.

Marine Midland banks — all listed below — are closely acquainted with every phase of New York State's economy. Write to the bank in the area that interests you, and this knowledge is yours!

11 MARINE MIDLAND BANKS serve these 71 Communities through 146 offices

THE MARINE TRUST COMPANY OF WESTERN NEW YORK

Buffalo	Eggertsville	Middleport
Albion	Gowanda	Niagara Falls
Attica	Hamburg	North Tonawanda
Barker	Holley	Snyder
Batavia	Lackawanna	Tonawanda
Depew	Lewiston	Town of Tonawanda
East Aurora	Lockport	Williamsville
Eden	Medina	Wilson

THE MARINE MIDLAND TRUST COMPANY OF NEW YORK
New York City

GENESEE VALLEY UNION TRUST COMPANY

Rochester	East Rochester	Sodus
Avon	Lima	Spencerport
Dansville	Palmyra	Webster

MARINE MIDLAND TRUST COMPANY OF SOUTHERN NEW YORK

Binghamton	Elmira Heights	Horseheads
Cortland	Endicott	Johnson City
Elmira		Watkins Glen

MARINE MIDLAND TRUST COMPANY OF CENTRAL NEW YORK

Syracuse	Fulton	Oswego	Port Byron
Auburn	Manlius	Phoenix	Tully

FIRST BANK & TRUST COMPANY OF UTICA
Utica

THE NORTHERN NEW YORK TRUST COMPANY

Watertown	Antwerp	Malone
Adams	Copenhagen	Massena
Alexandria Bay	Evans Mills	Potsdam

THE MANUFACTURERS NATIONAL BANK OF TROY
Troy Amsterdam Corinth Wells

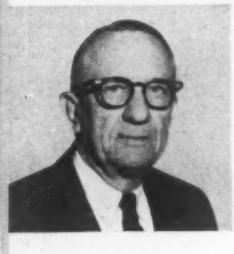
CHAUTAUQUA NATIONAL BANK OF JAMESTOWN

Jamestown	Falconer	South Dayton
Cherry Creek		Westfield

NYACK BANK AND TRUST COMPANY
Nyack

THE FARMERS NATIONAL BANK AND TRUST COMPANY OF ROME
Rome

MEMBERS FEDERAL DEPOSIT INSURANCE CORPORATION



MR. W. HOWARD COX, President, The Union Central Life Insurance Company, recognized as an insurance authority and widely known in the realm of outdoor sports.

"My favorite game bird is quail, and I doubt if there's any finer spot in the world for this shooting than around Albany, Georgia—the scene you see here. And today it's convenient for hunters to get there by air from almost anywhere in this country.

"Air travel has made the hunter's world a wider one. It has done the same for the businessman. Most of our executives at Union Central Life Insurance Company fly American Airlines. Frequent, convenient schedules to practically all important Agency cities, and fast, dependable service are the reasons for our choice."

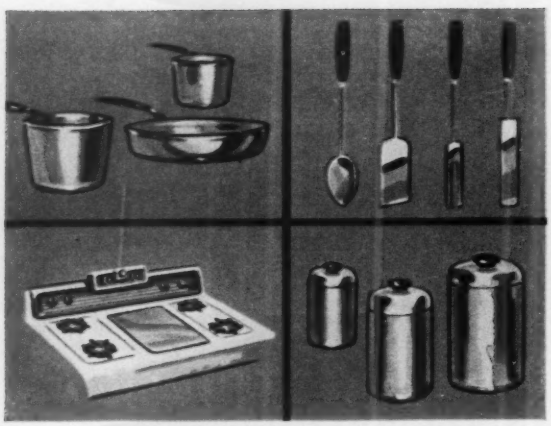
★

AMERICAN AIRLINES INC.

Americas Leading Airline

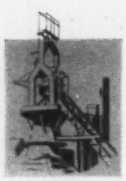
modern design specifies stainless steel

McLouth
STAINLESS
Steel
for the home



The lady agrees with the architect that her modern, cheerful, Stainless Steel kitchen will be the most beautiful room in the new house. Stainless Steel is the bright, long lasting metal that will not tarnish, is easy to clean and a joy to live with.

For the product you make today and the product you plan for tomorrow specify McLouth high quality sheet and strip Stainless Steel.



McLouth Steel Corporation
Detroit, Michigan

MANUFACTURERS OF STAINLESS AND CARBON STEELS

Special Report

(This article represents the result of an extensive research on a problem of outstanding importance.)

WHY ALL THE WORRY ABOUT WHAT PEOPLE OWE

Are Americans getting too deeply in debt?

Many businessmen see no need for worry. They feel that people have come to accept debt as normal, to bear it easily.

Yet Government is operating on the theory there can be too much borrowing, and is trying to keep people from piling up debts so fast in the future.

This article explains why.

High officials who shape policy still feel that people are going into debt too fast.

According to this view, borrowing to buy cars and other goods is at a rate too high to sustain, and mortgage debt is taken on too readily.

Because they are convinced of these things, Government officials have taken steps to try to make it more difficult for individuals to borrow. Mortgage terms on new loans were made somewhat harder to meet. Installment-credit terms became a little tighter.

Now, however, the policy makers are running into this dilemma:

If restraints on use of credit are kept in force, borrowing may slow down. If borrowing slows, then fewer cars and fewer houses may be built. In that case, business will suffer.

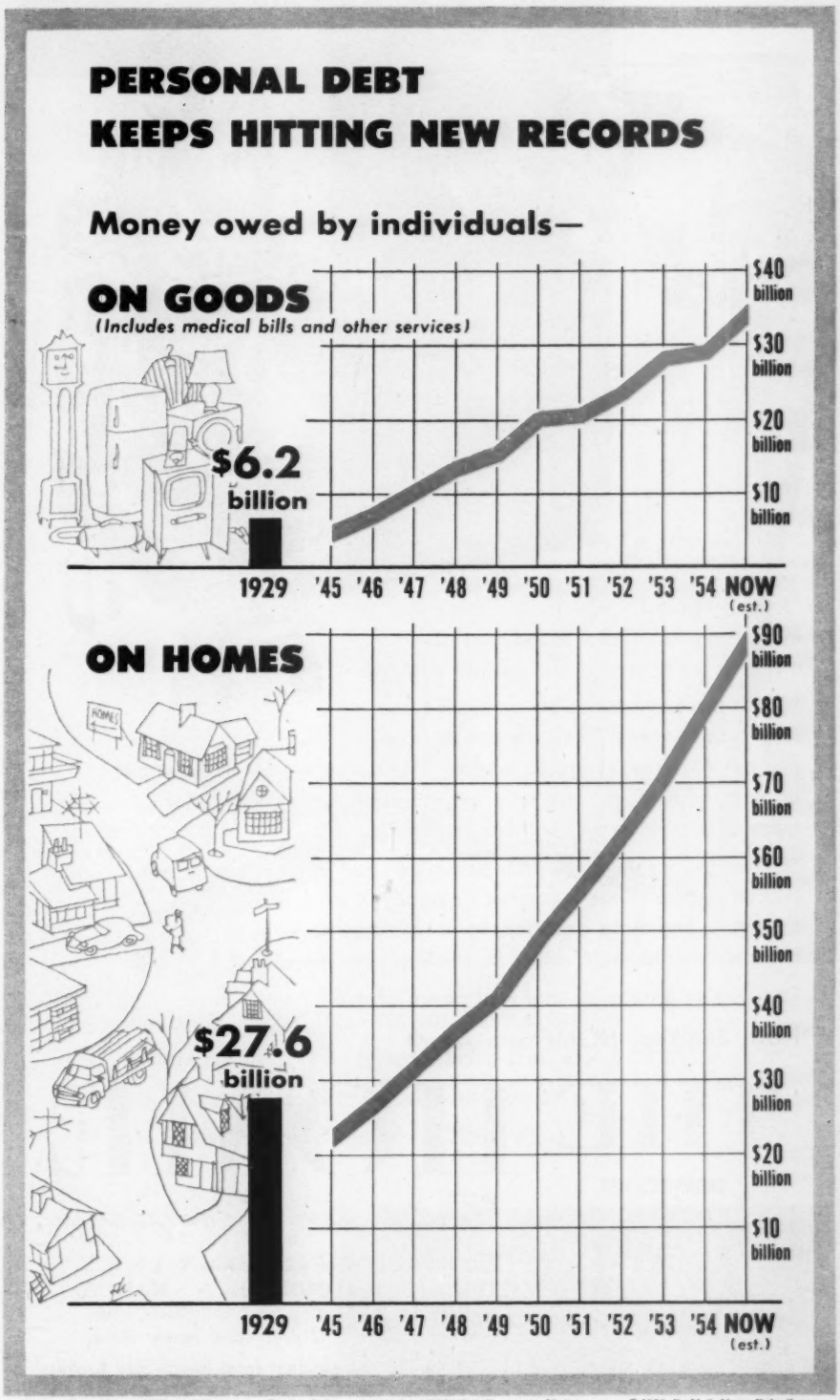
Yet, if restraints are taken off, if borrowing is made easier, then people may overborrow, get too involved in debt. Tightening up later on, if it became necessary, would be even riskier than now.

Policy change ahead? Official agencies already are beginning to wrestle with this dilemma. Prevailing opinion is that they will ease up on restraints as soon as there is any sign that the boom has leveled off. That could come within a few months. The plan is to prevent any recession before the 1956 election.

You can see from the chart on this page why officials became concerned about the great amount of borrowing by individuals.

People now owe about seven times as much as they did near the end of 1945

(Continued on page 86)



Source: Past Years, FRB and Commerce Dept.; 1955, estimate by USN&WR Economic Unit

© 1955, By U.S. News Pub. Corp.

FOR QUALITY PROPERTY INSURANCE, SEE YOUR HOMETOWN AGENT!

I buy by brand—do you?

"I buy by brand.
In the long run, I have found, you get
more for your money—make fewer mistakes.

"That's the only way to buy insurance, too.
After a fire or other loss it is much too late to
find out if you have made a mistake. That's why we talk to our agent
at least twice a year and take his professional advice on what
types of protection we really need.

"On his recommendation, our home, car and other property are
insured by The Home Insurance Company. It's a friendly
company, and that's important to us. We may never have a loss,
but if we should, we'd rather be dealing with The Home.

"It's *quality* insurance—and real peace of mind."

Now, See Your HOMEtown Agent

THE HOME
Insurance Company

ORGANIZED 1853

Home Office: 59 Maiden Lane, New York 8, N. Y.
FIRE • AUTOMOBILE • MARINE
The Home Indemnity Company, an affiliate, writes
Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Official aim: gradual slowing down of debt . . .

on autos, appliances, doctor bills and other goods and services. The bulk of the increase has come from buying things on the installment plan.

Amount owed on automobiles alone is nearly 14 billion dollars.

Debt on houses, by the end of this year, will total at least 89 billions.

Official concern, however, is not so much with the amount of debt but the way it is increasing. On the one hand, federal experts see little evidence that people are in trouble now because of their debts. Real trouble with defaults is not expected unless there is a serious recession.

There is a strong feeling that the increase in debt can't go on at such a rapid rate for much longer, without risking a sudden jolt. At some point, it is feared, people suddenly will stop borrowing so heavily and begin working off their debts. If that happens, sales will tumble, and the feared recession will be on.

The official aim is to prevent this by slowing down the increase in debt now, so as to bring about a gradual adjustment with a minimum effect on sales.

Government economists know this plan is a risky one. A miscalculation, too much tightening of credit, could help bring on the very recession they are trying to head off. You see the difficulty when you look at the part credit is playing in the boom in auto sales.

Loans on autos. Dealers are selling about 35.9 billion dollars' worth of cars this year. To do this big volume of business, they are arranging loans for their customers, on the installment plan, at a rate of about 17.6 billion a year.

In other words, credit is needed for about 50 cents out of every dollar of auto sales.

That is a more liberal use of credit than ever before.

But this year, with pressure on to expand sales, with factories turning out new cars at an unprecedented rate of nearly 8 million for the year, loans were granted on easier terms. A buyer sometimes could get a new car with a down payment of one third, covered entirely by the trade-in value of his old car, and with three years or longer to pay the balance.

On that basis, a customer sometimes learned that, after driving his new car for some months, he owed more money on it than the car was worth; its value had depreciated faster than he was paying off the loan. This situation encouraged some people to let their cars go. Since then, bankers and dealers have tightened up a bit.

Can the auto debt possibly increase

. . . Warning to banks brings tougher terms

as much in 1956 as it has in 1955? That would raise the amount owed on new and old cars from 14 billions to more than 17 billions. For comparison, the total retail value of all the new cars being produced for the U. S. market this year is about 21 billions.

No one knows whether such an amount of new debt is feasible. Official policy implies that it isn't.

Federal agencies have warned banks not to make loans on autos or other goods on extremely easy terms. Interest rates have been allowed to rise and, together with higher prices on new cars, confront the prospective buyer with higher monthly payments. That is expected to keep some people out of the market.

Thus, sales of new cars are expected to decline somewhat. Output at a rate of 8 million a year is not likely to be repeated in 1956, unless the Government decides once again to promote easy credit.

What history shows. Past performance in the auto industry indicates that what is happening today is not at all unusual. Easy credit has led, in the past, to a tightening up and then to a slowdown in sales.

In 1937, for instance, auto dealers began to finance a very large proportion of their sales with credit. Sales went up sharply. Then, in 1938, credit tightened and sales were sharply reduced.

Again, in 1953, easy credit was used by dealers to push sales. At one point, loans covered about 46 per cent of the dealers' business. When the proportion dropped to 40 per cent, sales fell off.

Today, credit has become more important to the auto industry than ever before, and history is beginning to repeat itself.

A similar problem is foreseen in some other lines.

Problem in building. The amount of debt is piling up even faster in the home-owning group. Money owed on mortgages is increasing this year by about 9 billion dollars.

A similar increase in 1956 would carry this debt to almost 98 billion dollars. Again, federal policy, by tightening terms, is expected to keep some people from taking on mortgage debt and thus to slow down the increase.

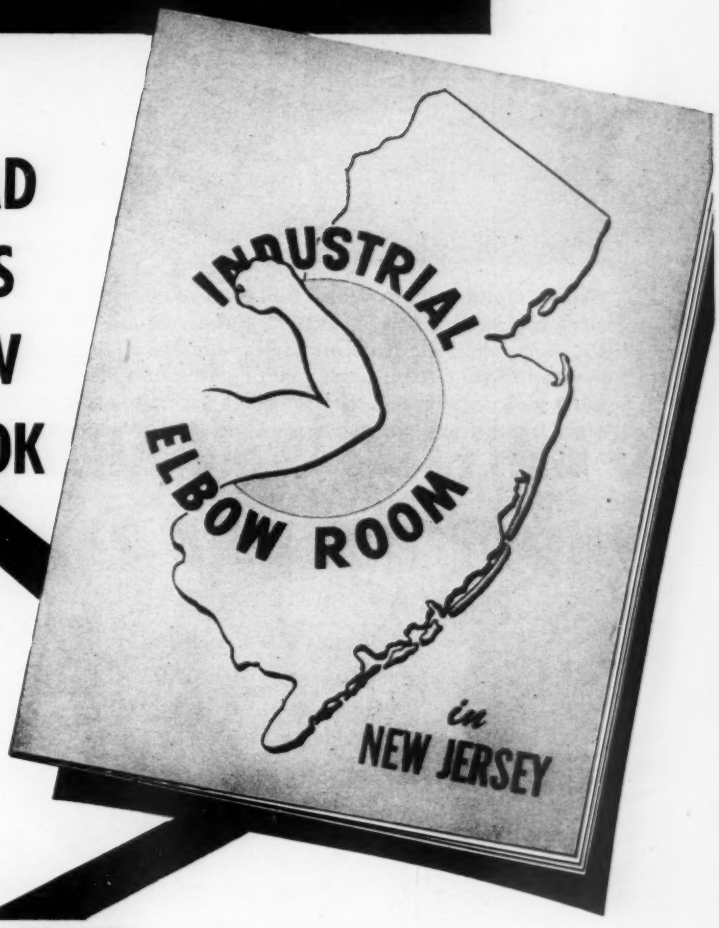
Federal figures show that about 80 per cent of all houses are sold on credit. Late in 1954, when terms were very easy, many buyers could get houses with no down payment in cash and with 25 to 30 years to pay off the debt.

This easy credit helped raise the amount of building to about 1.3 million

(Continued on page 88)

IF you want to know WHY so many Industries have come to the Crossroads of the East . . . You must

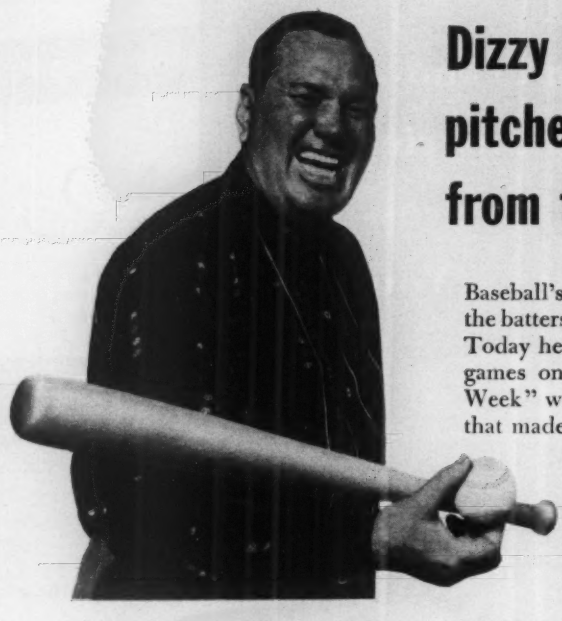
READ THIS NEW BOOK



WRITE

For your copy of this very complete digest report about New Jersey, write Box B, Public Service Electric and Gas Company, 82 Park Place, Newark 1, New Jersey.

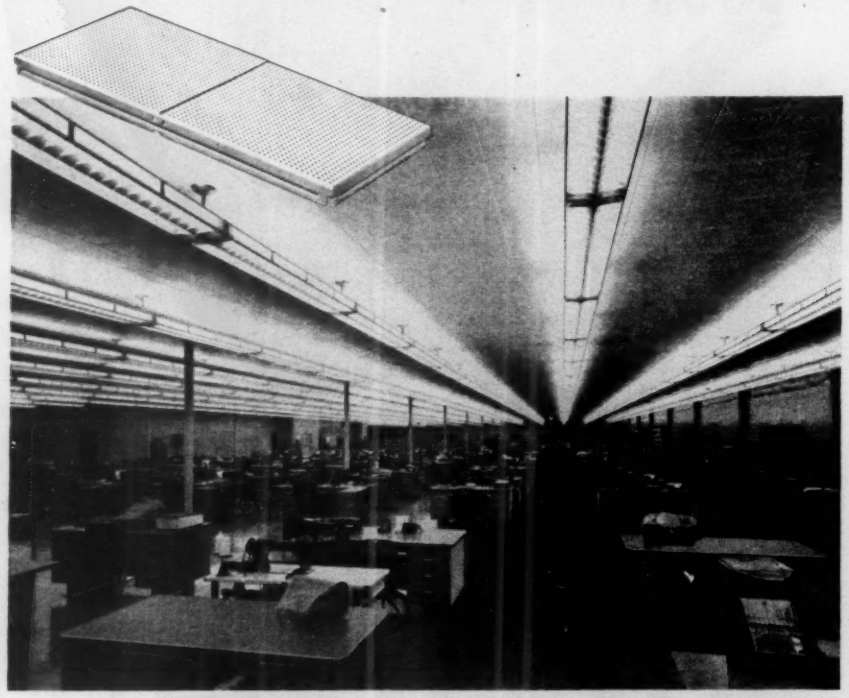
PUBLIC SERVICE
. . . AT THE CROSSROADS OF THE EAST



Dizzy Dean pitches fast talk from the press box

Baseball's Ol' Diz used to bewilder the batters with his famous fast ball. Today he broadcasts major league games on his "TV Game of the Week" with same colorful energy that made him an all-time baseball great. In offices, however, fast talk combined with clattering typewriters and jangling telephones adds up to noise that can reduce office efficiency.

Acoustimetal ceilings whisk noise out of busy offices, making them efficient, enjoyable places to work. Fireproof perforated metal panels, backed with incombustible pads, are easily wiped clean with a damp cloth. And you can repaint Acoustimetal ceilings... sound absorption isn't affected. Each unit is easily removed for quick access to utilities. Whether you're building or remodeling, include Gold Bond Acoustimetal in your plans.



Call your Gold Bond Acoustical Contractor

You'll find his name in the Yellow Pages of your phone book under "Acoustical Contractors." For free magazine, THE DECIBEL, giving you actual acoustical case histories, write Dept. US-105,

NATIONAL GYPSUM COMPANY
BUFFALO 2, N. Y.

Get sound comfort with
Gold Bond
ACOUSTICAL PRODUCTS

. . . Slight rise reported in foreclosures on cars

homes in 1955, compared with 1.2 million last year and 1.1 million in 1953.

Already there are signs that tightening up is putting a damper on sales and causing builders to cut back somewhat on plans for additional construction.

Are people overloaded? In spite of the rapid rise in debt, there is no clear-cut evidence that people are, as yet, burdened with more debt than they can handle. Economists point out that debtors, as a group, never feel hard pressed while times are good; not many get into real trouble unless they suffer loss of income.

Postwar experience indicates that a minor recession doesn't cause enough unemployment or cut wages enough to put any large portion of families into default on home mortgages and other debts. Foreclosures on mortgages have been few, even during the 1949 and 1953 recessions. Finance companies say their losses all along have been a very small percentage of the installment business they do.

Now, however, bankers and auto dealers are reporting an increase in the number of cars taken back from buyers who didn't keep up their payments. The foreclosure rate is rising a little.

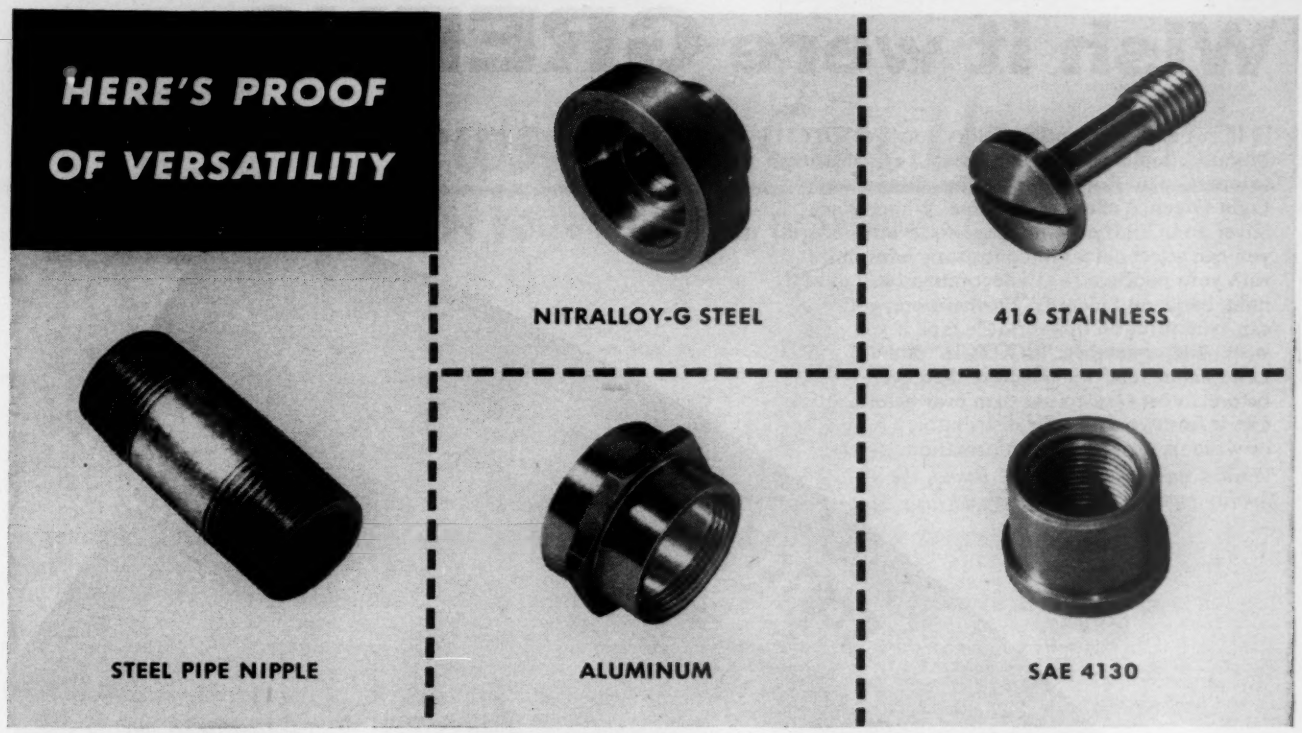
Federal studies throw some light on the way the heavy load of debt is being carried.

Some surveys suggest that the typical family, with a home mortgage and installment debt, may be paying out about 30 per cent of its income on these alone. That would mean that about 50 per cent is tied up by debt and other fixed costs; only about 50 per cent would give leeway for economizing.

Such figures indicate this: Most families can go on paying their debts even if their incomes drop moderately, say 10 per cent. But many will run into real trouble if there is a lengthy period of hard times, with incomes cut deeply.

At some point, a minor recession, such as the one in 1953, could be turned into a serious one by an increase in defaults and foreclosures, many economists fear. The point would come when bad debts piled up, businessmen became extra cautious in making new loans, and consumers became fearful of borrowing.

Such worries are behind the Government's effort to slow down the boom, to prevent any sharp recession such as might come from a runaway spree of borrowing and spending. The trick, as federal policy makers see it, is to tighten up on credit just enough to make the boom level off, but not so much as to bring on an unwanted recession in an election year.



SUN DEVELOPS VERSATILE NEW CUTTING OIL FOR SCREW MACHINES AND JOB SHOPS

New cutting oil, Sunicut 5534, is moderately priced... gives excellent machining results on wide range of steels

New Sunicut 5534 is a non-emulsifying, transparent cutting oil specially compounded to give above-average machining results to operators who want a single oil to machine a large variety of ferrous metals.

Tests have proved that new Sunicut 5534 meets this demand for an all-purpose cutting oil. It is ideal for general screw machine and turret lathe work. It is also excellent for tapping, drilling, threading, and light stamping operations. In addition, new Sunicut 5534 can be used on many special machining jobs, both high and low speed, with metals ranging from B1112 to 4130 as well as free-machining stainless steels.

For complete information about new Sunicut 5534 and how it can help you reduce your oil inventories... lower your production costs... see your Sun representative. Or write SUN OIL COMPANY, Phila. 3, Pa., Dept. US-10.

SUNOCO®

INDUSTRIAL PRODUCTS DEPARTMENT

SUN OIL COMPANY, PHILADELPHIA 3, PA.

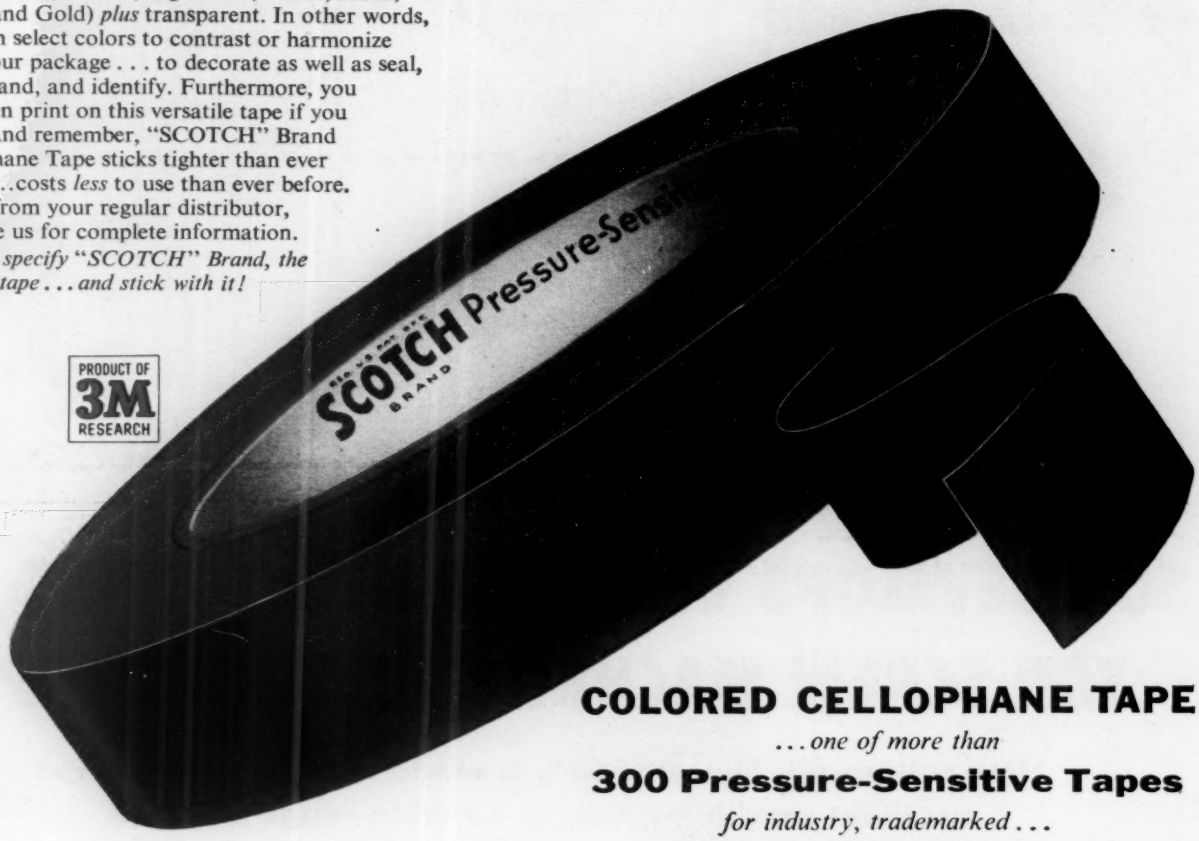
IN CANADA: SUN OIL COMPANY, LTD., TORONTO AND MONTREAL

Wish it were GREEN?

IT IS . . . and eleven other colors, too! "SCOTCH" Brand Cellophane Tape comes in 12 eye-pleasing colors (Green, Red, Orange, Blue, Orange-yellow, Light Green, Yellow, Light Blue, White, Black, Silver and Gold) *plus* transparent. In other words, you can select colors to contrast or harmonize with your package . . . to decorate as well as seal, hold, band, and identify. Furthermore, you can even print on this versatile tape if you wish. And remember, "SCOTCH" Brand Cellophane Tape sticks tighter than ever before...costs *less* to use than ever before. Get it from your regular distributor, or write us for complete information.

Always specify "SCOTCH" Brand, the quality tape . . . and stick with it!

PRODUCT OF 3M RESEARCH



COLORED CELLOPHANE TAPE

. . . one of more than

300 Pressure-Sensitive Tapes

for industry, trademarked . . .

REG. U.S. PAT. OFF.

SCOTCH BRAND

Look what you can do with it!

SEAL cartons, packages with "SCOTCH" Cellophane Tape. Tape holds firmly; colors let you decorate or "code" contents. Automatic dispensers can package at production-line speeds.

OFFER premiums, special prices with printed tape labels applied right to container. "SCOTCH" Brand Cellophane Tape can be applied automatically; colors make labels stand out.

SELL at point-of-sale with *printed* "SCOTCH" Brand Cellophane Tapes. Slogans, trademarks, or special offers are easily affixed by salemen. Tape sticks at a touch . . . stays on.

SEND for free folder illustrating dozens of other ways you can use "SCOTCH" Brand Cellophane Tapes in your plant, office, or on your products. Write on your Letterhead to Dept. GT-105.

The term "SCOTCH" is a registered trademark of Minnesota Mining and Manufacturing Co., St. Paul 6, Minnesota.
Export Sales Office: 99 Park Ave., New York 16, N. Y. In Canada: P.O. Box 757, London, Ontario. © 3M Co., 1955

News YOU Can Use ®

IN YOUR PERSONAL PLANNING

24th and N Streets, N.W.
Washington, D.C.

A big reshuffle going on in the Army Reserves causes confusion, brings up questions about how it affects Reservists and youths in or facing service.

REVAMPED RESERVES. The Pentagon has ordered some 190 active Reserve units to shut up shop. Many Reservists affected face the loss of drill pay, or of commanding-officer jobs. What's more, about 150 other units are to be deactivated. It's all part of a Pentagon program to cut back on administrative and logistic types of units that wouldn't be needed for early call-up in event of war. The theory is that an atomic war would be over quickly and Reserve emphasis should be on outfits that would be mobilized in the first six months.

NEW UNITS. Deactivation of some Reserve groups is only part of the story, though. The Army is building up the number of such Reserve units as ordnance and antiaircraft battalions. It has created 200 new units since the reshuffle began early this year. By 1960, the Army expects to have 7,600 active Reserve outfits in place of the present 4,500.

RESERVE OPENINGS. Pentagon spokesmen say the build-up means more likelihood, for a youth now entering service, of a future choice of Reserve units to go into. The same holds for the 18½-year-old who takes six months' military training instead of the regular two-year draft. Both are compelled by law to join a Reserve unit--with weekly drills--when active-duty periods are over.

No individual now in the Reserves is to be forced out if his unit is deactivated, the Pentagon insists. In most cases, the Reservist will be able to transfer to a newly created unit. Some experienced officers, though--and many are critical on this score--will lose commands and get cuts in drill pay. In any event, the Pentagon adds, no Reservist will lose all means of staying in the Reserves and keeping up eligibility for retirement.

TAX REFUNDS. The Court of Appeals for the ninth circuit comes to the aid of taxpayers trying to get income tax refunds. The fact that the Internal Revenue Service has no record of a claim having been filed doesn't automatically give the Service a right to deny the refund, the Court says. Proof by the taxpayer that he mailed the claim, the Court adds, is evidence enough that IRS should have received it and ought to be able to find it to make payment.

FAMILY INCOME. If you're the breadwinner in your family and earn more than

(over)

$5,000 a year, you do better than three fifths of the families in the U.S. Figures just released by the Bureau of the Census show: 1 family in 5 had an income last year of less than $2,000. One in 18 topped $10,000. And 1 in 70--600,000 out of the nation's 42 million families--had income above $15,000.

PRIZES. A point about the taxability of prizes is settled by a decision of the U.S. Tax Court. Under the law, most prizes are considered income on which you must pay tax, but some unsought awards may be classed as gifts and so are tax-free. In the case before the Tax Court, an individual bought a ticket to a dinner at which an automobile was to be awarded in a drawing. He gave the ticket away, and the person to whom he gave it won the car. The Court held that, even though the winner had done nothing to seek the award, the value of the car was taxable to him as a prize and could not be treated as a gift.

JOB INJURIES. An Internal Revenue Service ruling that a carpenter who uses his own tools in doing jobs around the neighborhood is usually considered--for Social Security purposes--an independent contractor prompts this query: Who must foot the bill if he gets hurt while working for you?

In general, an independent contractor is liable for his own injuries; you are liable only if an employer-employe relationship exists between you and the person you hire. However, workman's compensation laws--and interpretations courts put on them--vary from State to State. Thus the fact that a carpenter has been held to be an independent contractor for Social Security purposes might not always relieve you of liability. It would depend on the State you live in and on the facts in the individual case.

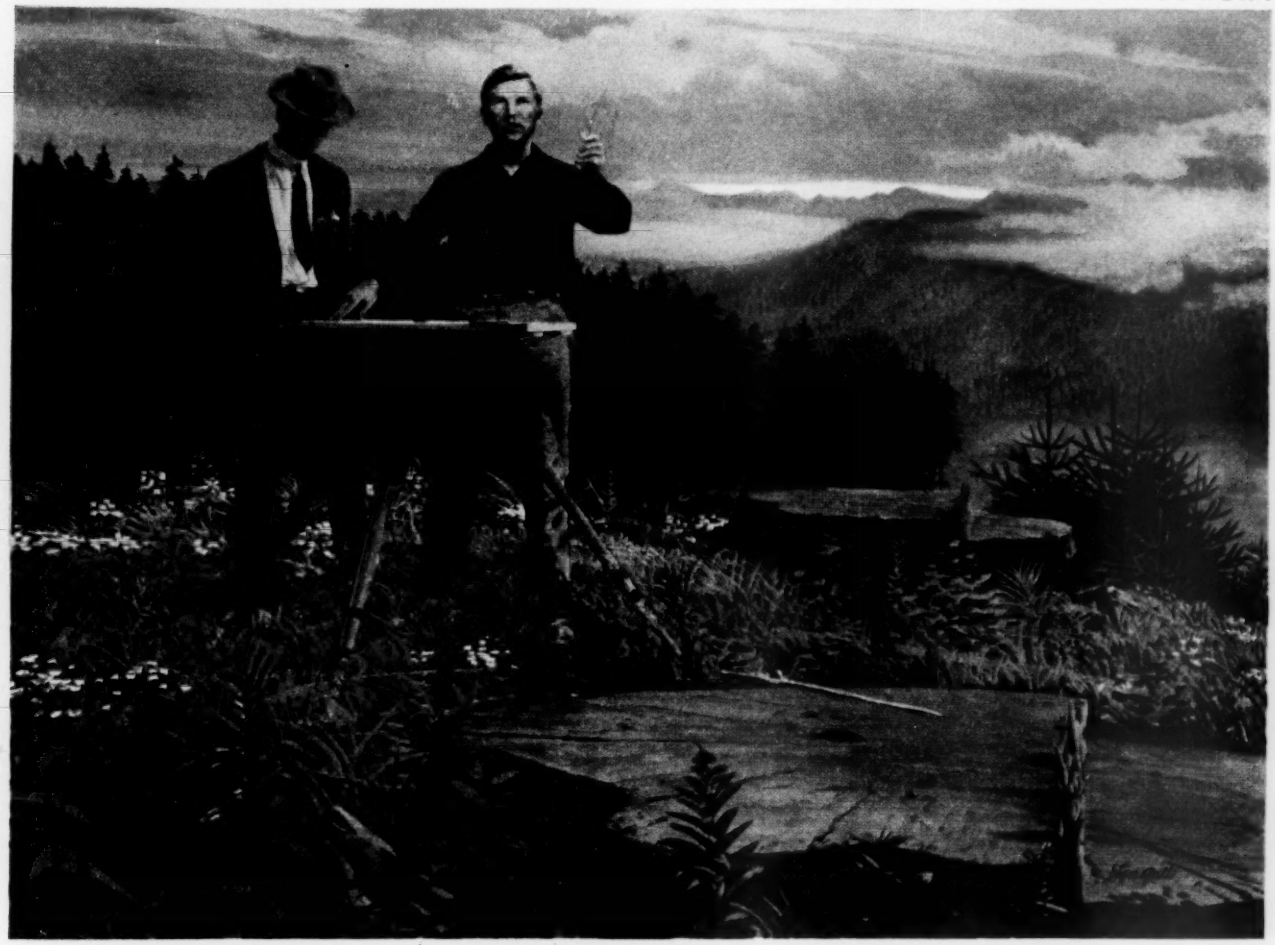
DRAFT DEFERMENT. For your boy in college: Applications by youths who plan to take the Selective Service qualification test this autumn must be mailed by November 1. A score of 70 or better on the test makes a student eligible for consideration by his draft board for a deferment. That eligibility holds good the rest of his undergraduate years, even though his grades don't give him the standing in his class otherwise required for deferment consideration. Local boards have the application forms.

DEFROSTING FREEZERS. Turn the temperature control on your freezer to its coldest the night before you intend to defrost--food you take out then will not thaw as quickly. That's suggested by home-equipment specialists of the Department of Agriculture. Get after the frost with a scraper when it builds up to a half-inch thickness. But don't help the job along with hot water, they add. That can build up refrigerant pressure and cause compressor difficulties.

HALLOWEEN. The soap marks that Halloween goblins leave on windows come off best with water and a brush, the National Bureau of Standards advises. But, for results against crayon marks or candle scrawlings, use a solvent such as alcohol, kerosene or mineral spirits. Be careful about breathing vapors, though, and guard against using near an open flame.

CHRISTMAS PARCELS. Comes again a reminder from the Defense Department that Christmas packages for servicemen overseas should be mailed by November 15 in order to reach their destination on time.

MAKING WOOD SERVE AMERICA BETTER THROUGH GOOD FOREST MANAGEMENT



CHARLES S. CHAPMAN (1880-1940), forester-economist whose field work and land studies helped establish management of timberlands on a long-range business basis. Graduate of Yale School of Forestry, he later served with the U. S. Forest Service. In 1924, as chief forester, Weyerhaeuser Timber Company, he began development of practical plans to grow timber as a crop on company lands.

"properly managed, this land will produce trees forever..."

Among the benefits of tree farming is an assurance of a permanent supply of wood for home-building... as well as for paper, rayon and more than 4,000 other products.

Thirty-five years ago, the vision of a permanent wood supply by managing timber as a crop was stimulating the imagination of forestry leaders. Up to that time, however, there was very little evidence to show that such a venture was economically sound. As a result, in 1924 C. S. Chapman and other forest economists began working out a practical business basis for such a vision... a task often requiring field demonstrations to convince landowners, businessmen and legislators alike. Devoting many years toward solving this problem, Chapman helped bring about forest management, legislative and tax policies which made commercial tree farming possible on industrial timberlands all across the nation.

Today, there are about 6,600 privately owned tree farms in America dedicated to perpetual wood production and each year many more are added. They already consist of 35 million acres of tax-paying forestland on which timber is *voluntarily* grown and harvested in repeated cycles. All forestlands owned by Weyerhaeuser Timber Company are operated as certified tree farms by trained foresters. *For a free booklet describing modern industrial forestry, write us at Box A, Tacoma, Washington.*

Weyerhaeuser Timber Company

WEYERHAEUSER

4 SQUARE

Styling is a challenge . . . in wheels by Kelsey-Hayes

Modern automotive design demands striking beauty in every line, brute strength in every part. To Kelsey-Hayes, this is both a challenge and a responsibility. We measure our success by the number of cars on the road today that ride on wheels by Kelsey-Hayes Wheel Company, Detroit 32, Michigan.

KELSEY-HAYES

A Major Supplier to the Automotive, Aviation and Agricultural Industries

Wheels, Brakes, Brake Drums, Special Parts for all Industry — 9 Plants—Detroit and Jackson, Mich. . . . McKeesport, Pa. . . . Los Angeles, Windsor, Ont., Canada . . . Davenport, Ia. (French & Hecht Farm Implement and Wheel Div.)

LIFE AROUND THE WORLD®

memo

FROM BRITAIN

LONELY SOCIALISTS

MARGATE, England—Britain's Socialists have come upon sad days.

The ardent left-wingers among them, such men as Aneurin Bevan, have just been squelched at the Labor Party conference. And the party itself faces a puzzling, uncertain future.

In a nutshell, says one former Member of Parliament:

"The Labor Party has always been the champion of the depressed in this country. The trouble is today that the depressed are really as scarce as hen's teeth."

For another thing, in the words of *The Economist*, of London, "Nationalization and some of the other brave cries of yesterday have become slightly dirty words."

It is true that Labor's ability to attract the British voter has been dropping steadily in recent years. In 1945, Labor polled 12 million votes to 8.6 million for the Conservatives. In 1951, when Labor lost its majority in the House of Commons, the popular vote was 13.9 million Labor and 13.7 Conservative. This year, for the first time in a decade, more people voted Conservative than Labor.

The decline in the proportion of Labor votes has been accompanied here in Britain by unprecedented prosperity. Today the country is in a state of what the economists call "overemployment," with 500,000 industrial jobs going begging.

In voters, a new attitude. This surge of good times obviously has brought a change in the attitude of the voters toward the Socialists. The left-wingers proposed, at this year's party, conference, their usual pledge to nationalize all British industry, but they were promptly voted down after Herbert Morrison, Labor's deputy leader, warned: "You've really got to consider what the electorate will swallow."

Shortly before this year's conference, the Labor Party leader, Clement Attlee, summed up the political woes of the Socialists in these words:

"Labor must look forward, not backward. We have to deal with a new con-

(Continued on page 96)

—Wide World

LABORITES MORRISON AND ATTLEE
"You've got to consider what the electorate will swallow"

EUROPEAN BUSINESS

can be mixed with pleasure!

It's legitimate as the day is long . . . and the most blissfully relaxing and soul-restoring pleasure you could long for. It so happens that certain luxurious but surprisingly inexpensive *cruises* aboard two of the biggest and most modern ships on the Atlantic are *cruises to Europe!* The ships are the *Independence* and *Constitution* of American Export Lines; the cruises are American Export's special *Sunlane Cruises to the Mediterranean.*

Need more time in Europe than a cruise allows? Take the time you need and catch the *next* cruise back! *Sunlane Cruises* leave New York Nov. 8, 18, 30 and Dec. 10, each 20 days round trip. The weather? Even *November* on the Sunlane to Europe is warmer than *April* in New York!

Connections are excellent from cruise ports to almost all of Europe (4, 5 and 6 different ports, depending on the cruise you choose) ...from Cannes, for instance, on the French Riviera, you can be in Paris overnight aboard *Le Mistral,* one of the crack express trains linking the two cities.

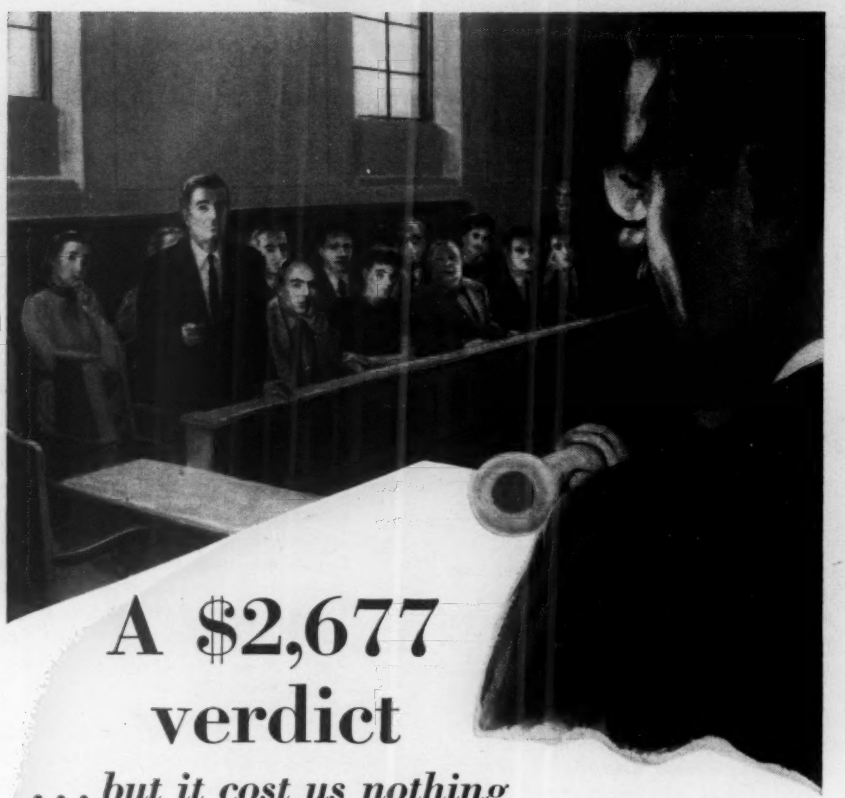
If you're so minded, it's the ideal way to take the family with you. While you do business, let them stay with the cruise or holiday along the Mediterranean, depending on the time you need.

Rates start at $670 for First Class. Air conditioned stateroom. Private bath (as a rule with shower, not tub). Cuisine? It is unsurpassed, afloat or ashore.

Call your Travel Agent for reservations and all details.

AMERICAN EXPORT LINES

39 Broadway, New York 6, New York



A $2,677 verdict

. . . but it cost us nothing

(Based on Company File #71L8540)

One of our men had been injured while doing a contract job we handle for a public utility company. It was months before he could work again.

Of course, he got Workmen's Compensation. But, not satisfied with that, he sued the utility company for $25,000 damages.

The court awarded him $2,677, which the utility's insurance carrier paid. *And then we got a surprise.* The utility's insurance company sued *us* to recover the money! Their claim was based on a "hold harmless" clause in our contract with the power company.

They won their case. The verdict could have cost us $2,677 plus considerable legal expense. However, our Hartford Agent had been careful to write our Liability insurance to include proper coverage for contractual liability exposures.

That's why we had no problem. The Hartford Accident and Indemnity Company handled the whole situation for us. They defended the suit . . . paid the loss . . . met all legal costs.

Unusual and complex phases of insurance constantly crop up in today's business relationships. You have to be prepared for them.

Make it a point to have your Liability insurance requirements handled through a thoroughly experienced insurance agent or broker. He will be alert to such technical angles as contractual liability exposures. *And he will wisely place your policies in a company experienced in providing Liability protection in all its varied forms.*

For competent, dependable insurance service, see your Hartford Agent. Or tell your insurance broker you want *Hartford* coverage.

Year in and year out you'll do well with the

Hartford

Hartford Fire Insurance Company
Hartford Accident and Indemnity Company
Hartford Live Stock Insurance Company
Citizens Insurance Company of New Jersey . . . *Hartford 15, Connecticut*
Northwestern Fire & Marine Insurance Company
Twin City Fire Insurance Company . . . *Minneapolis 2, Minnesota*

memo

. . . Britain's Labor Party: Out of touch with workers?

ception of society. Many evils against which we were fighting 50 years ago have been overcome. . . . Labor has nothing to gain from dwelling in the past. Nor do I think we can impress the nation by adopting a futile left-wingism."

The Times of London puts Labor's plight more bluntly:

"The picture is of an aging party, divided within itself, lacking vigor at the top and zeal at the bottom, inadequately organized and inadequately financed, unable to attract the young men and women who might rejuvenate it."

Socialist leaders will tell you privately that the reason for this lack of interest among young voters is simply that the party has nothing to offer them. A Labor Member of Parliament, Hugh Delargy, feels that the party has even lost contact with the workers. After the most recent election, he said:

"All these dreary people who are groaning that the Socialists lost support because the people were frightened of this man and that, of this tendency and the other, have missed the whole point.

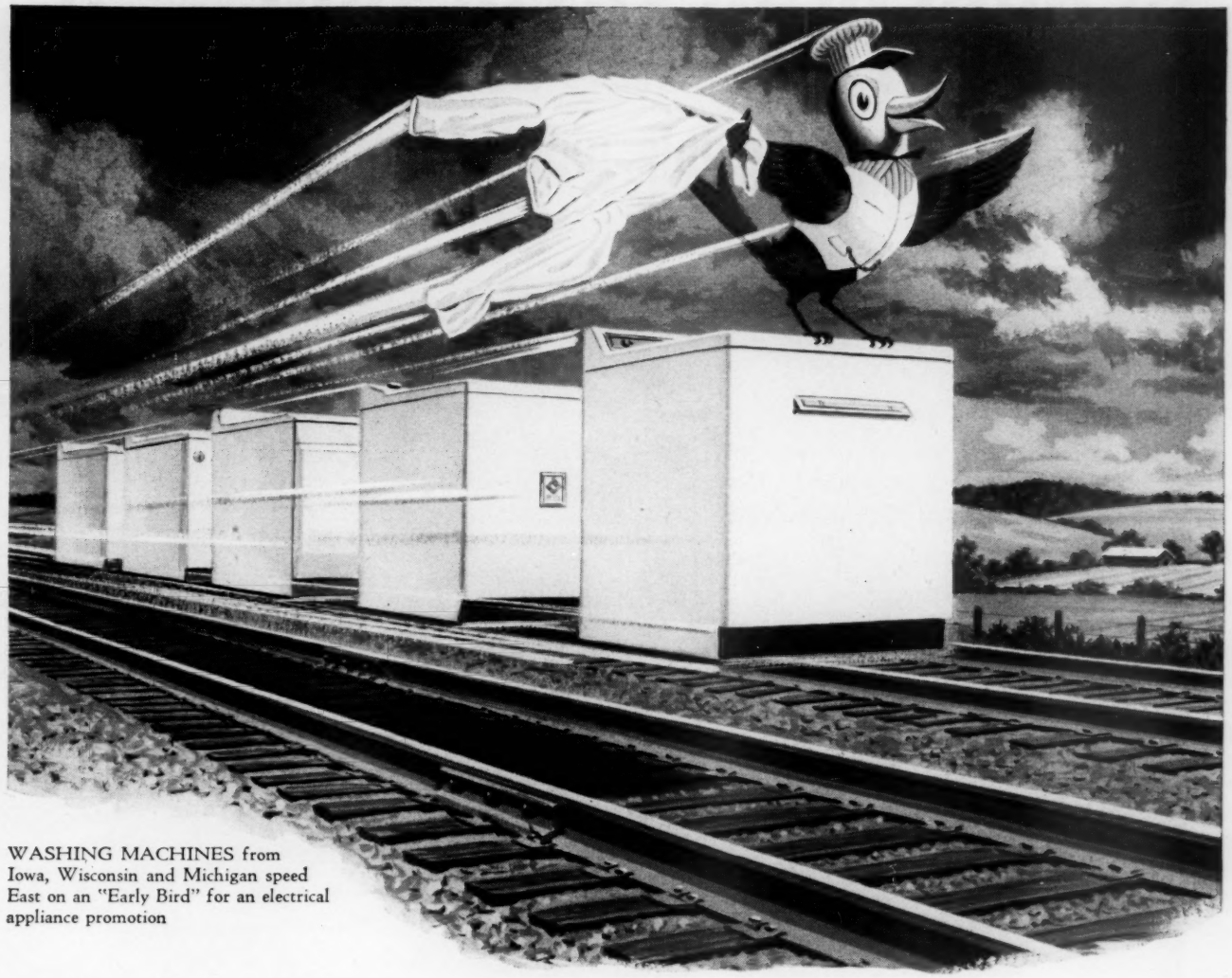
"We didn't frighten anybody. We did not alarm the electors. We simply bored them. We were lost and bewildered . . .

"It is no good howling about hunger marches and dole queues when no one under the age of 30 has been unemployed."

Still no new formula. This rash of self-criticism about the past hasn't yet produced a campaign formula for the future, however. The moderates among the Socialists are on top, but it is not clear just what they are going to substitute for old-fashioned socialism without becoming a carbon copy of the Conservative Party.

The Labor Party gave Britain a real shot of socialism after it won the election and formed a Government a decade ago. It promptly put many of the country's key industries and services under Government ownership—and was planning to go even further when it was voted out of office. Now the *Manchester Guardian* wonders whether this same party will be able to survive the century. To do so, says the Guardian:

". . . It will have to abandon the notion that it represents a class, it will have to forget the theory that the rich are still rich enough to be soaked effectively and to the lasting benefit of everyone else, and it will have to realize that a party that represents the underdog and no one else can no longer hope for a majority. There are not enough underdogs."



WASHING MACHINES from Iowa, Wisconsin and Michigan speed East on an "Early Bird" for an electrical appliance promotion

One day faster to the East—for any product—via the "Early Birds"—at no extra cost

New York Central's new "Early Bird" express-speed freight trains make the run from Chicago to New York in as little as 22 hours.

Shippers and consignees gain these important advantages:

- **Inventories and warehouse requirements are reduced**
- **Merchandise turns over quicker**
- **Less capital and interest is tied up in goods**
- **Cost of insurance is lowered**
- **Less waste of perishable commodities**
- **Shipments arrive in excellent condition**

Freight cars arriving from west of the Mississippi and south of the Ohio Rivers merge with the "Early Bird" fleet at St. Louis, Peoria, Chicago and Cincinnati Gateways. Local-origin freight departs on "Early Birds" from St. Louis, Peoria, Chicago, Detroit, Cleveland, Cincinnati and Indianapolis for Buffalo, Boston and New York.

You'll profit by routing your next freight shipments via time-saving "Early Birds." Ask your nearest New York Central Freight Representative for a copy of the "Early Bird" timetable.

A few of the commodities recently shipped via "Early Bird" service:

LUMBER from Oregon . . . CLAY from Alabama . . . TIRES from Tennessee . . . WINE from California . . . ONIONS from Texas . . . WIRE from Illinois . . . BASKETS from Michigan . . . AUTO PARTS from Indiana . . . TALLOW from Ohio . . . BRICKS from Missouri . . . MEATS from Nebraska and Colorado . . . COTTON from Arkansas.

New York Central System

The water-level route of fast, dependable freight service.

General Offices: 466 Lexington Avenue, New York 17, N. Y.

REPUBLIC PLASTIC PIPE is the

Extremely flexible pipe is mobile, lightweight,

PLANNING A HANGAR? THESE DOORS ARE HIGH, WIDE AND HANDSOME. They're Republic's huge Vertical Lift Canopy Hangar Doors designed and built at Republic's Truscon Division. Featuring smooth-flowing operation, they close rapidly for heat conservation. Entire operating mechanism is concealed on the *inside* of hangar. Truscon Engineers will help you plan most suitable installation. Send coupon for illustrated literature.

New Answer to an Old Problem

easy to join—speeds drainage operation

Excavations flooded by rains or seepage can be emptied faster and easier by using pipelines of Republic Flexible Plastic Pipe.

Unhampered by rigidity or excess weight, this pipe follows terrain contours as neatly as a garden hose, can snake conveniently over or around obstructions.

Made of tough polyethylene, it's extremely durable, can be dragged over rocks with little danger of damage. Acids, alkalies, and electrolytic action will not harm it. And to protect it from the sun's ultra-violet rays, carbon black is compounded into the material.

Ease of assembling is another big advantage. Besides carrying a long coiled length of Republic Flexible unassisted, one man can join this pipe quickly with little effort. Only tools needed are an ordinary handsaw for cutting the pipe and a screwdriver for tightening the stainless steel clamps.

Other uses for this amazing new pipe include water lines for mixers, lines for carrying drinking water (it's non-toxic, too). It will pay you to investigate this economical way to speed up your construction job.

Republic Flexible Plastic Pipe comes in 9 sizes from ½″ to 6″. In coils: ½″ through 3″. Straight lengths: 4″ and 6″. A complete line of insert-type fittings is also available—for joining plastic to plastic and plastic to steel. Sold by your local Republic jobber. For additional information send coupon.

REPUBLIC STEEL

World's Widest Range
of Standard Steels and Steel Products

REPUBLIC HIGH-STRENGTH STRUCTURAL BOLTS provide a new, fast, economical way to fasten structures permanently. Bolting reduces noise. Replaces field riveting. Is often safer and easier than other methods. Work usually is done from within structure, eliminating costly scaffolding. Made in accordance with ASTM Spec. A 325. Bolts marked for easy identification to conform to Spec. for Assembly of Structural Joints, 2-27-54, Research Council on Riveted and Bolted Construction.

FOR TUNNEL JOBS, like sewer, water, drainage, specify Truscon Tunnel Liner Plates. They are used universally on all leading underground projects, providing strength and safety, eliminating fire hazards, reducing excavation costs. Truscon Tunnel Liner Plates are cold formed from steel in various thicknesses and diameters to suit project needs. Specific data and engineering assistance furnished without obligation.

REPUBLIC STEEL CORPORATION
3142 East 45th Street
Cleveland 27, Ohio

REPUBLIC STEEL

Please send literature on:

- ☐ Plastic Pipe
- ☐ High-Strength Structural Bolts
- ☐ Heat Exchanger Tubes
- ☐ Tunnel Liner Plates

Name_____ Title_____

Company_____

Address_____

City_____ Zone____ State_____

K-8313

Interviews — With 13 CONGRESSMEN

"WHAT WE FOUND INSIDE RUSSIA"

Are traveling Congressmen, fanning out this year over Russia, impressed by what they find in the Communist empire?

Do they feel friendlier now to Russia than they did before? Will they be voting soon to relax East-West trade, cut U.S. arms spending?

For answers to these and other questions, *U.S. News & World Report* interviewed 13 legislators after they visited Russia.

Here are the impressions of Congressmen who talked with the Kremlin bosses, looked over Soviet factories, met Russian people in their homes.

HOPE OF SOVIET COLLAPSE IS "WHISTLING IN DARK"

An Interview With Senator John J. Sparkman (Dem.), of Alabama

At PARIS

Q Senator Sparkman, did you find things as you expected them in Russia?

A A few things surprised me. One was the fact that the people seemed well fed. There had been all kinds of stories published in the United States about agricultural shortages in Russia—lack of adequate diet for the people, and so forth.

They do have a shortage of meat there, and dairy products. They could use more protein in their diet. But it certainly does not show in the people. They seem well fed. They are extremely energetic. In stores, the people were so eager to get to the counters to look at the few things that were available that they just pushed you out of the way, if you moved about in a slow, easy, gentle way.

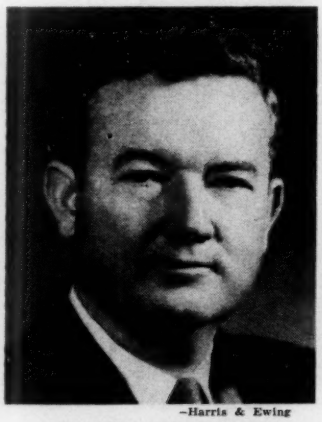
Q Where did you go in Russia?

A We were there about 10 days. In Leningrad we went to a farmers' free market and we went through a large department store. And we visited several of the beautiful museums.

In Moscow the first thing we did was go to the Baptist church. We wanted to see an industrial plant, a school, a collective farm. The Kremlin, of course, and the mausoleum of Lenin and Stalin. Some stores, the ballet and the opera. We managed to do all of them, but it kept us moving.

Q Has your visit changed your ideas about Russia?

A Not in any basic way, unless it is in this respect: I had been somewhat impressed with stories that there were agricultural shortages in Russia. Because of these various statements, I thought that this new era of sunshine and light in Soviet policy might be growing out of economic difficulties. Now, from what I saw and from what I learned from our own people in the Moscow Embassy, I came away with the feeling that we would be whistling in the dark to hope for any economic collapse on the part of Russia any time soon.



—Harris & Ewing

SENATOR SPARKMAN

Q What do you think now about the "cold war"—any differently?

A If Russia really wants a relaxation of tension, I think the cold war can be brought to an end on two conditions: Let Russia agree with us on a foolproof plan of arms control; that is the No. 1 thing. No. 2: Let Russia withdraw from interference in the internal affairs of other nations. I hope that we will not permit Russia's new diplomacy to lead us to relax our guard until these conditions are met.

Q Did you see any hopeful signs of change in Russia?

A I saw one little streak of hope in connection with farming when we visited a collective farm. Every one of the 256 families there had an individual plot of ground they could work—their own. They could grow what they wanted to.

The eagerness with which the people work those plots, and take their produce to market to sell, gives me a little hope that the desire for free, competitive enterprise is not entirely dead.

And I get some hope out of seeing the attendance at church. Justice Douglas [Supreme Court Justice William O. Douglas] went to four different churches. There were great crowds at all of them. The spark of faith is still there. Time may fan these sparks of life.

Copyright 1955, By U. S. News Pub. Corp.

People Try to Be Friendly . . . No Reason Yet to Cut U. S. Defenses . . . "Time Not Ripe" to Expand Trade

Q And make trouble for the Kremlin?

A As things stand now, in the absence of some unforeseen collapse of leadership, it seemed to me that about our only hope is an evolutionary process which, I believe, may already be working.

And I think we can help it along by urging the greatest exchange of ideas and persons and information.

Q Are we getting through to the Russian people at all?

A I became convinced that the Russian people listen to our radio programs, despite the jamming. I think ideas, information, are getting in—although in a limited way still. But I think what we need to do is to keep the pressure on, keep it up just as much as possible.

Q Would you recommend that other Congressmen visit Russia and the satellites?

A I certainly would.

"CHANCES OF WAR ARE LESS NOW"

An Interview With Senator Milton R. Young (Rep.), of North Dakota

Q Senator Young, what do you think of these visits by U. S. legislators to Russia? Are they a good thing?

A Oh, I think they do a great amount of good. They're bound to develop more friendly understanding. And the same is true of visits by Russians to our country.

Q Did you come away with a more friendly feeling toward Russia?

A Yes—more friendly, and I'd say a somewhat different impression of Russia than I had before. When I say "more friendly," I say that particularly in my feelings about the Russian people.

Q Did Russia seem stronger or weaker than you expected?

A I came away with the definite feeling that they're stronger in the military sense than I'd been led to believe. There is a feeling of strength, as if they are more assured than they used to be.

Q Did you run into any other surprises?

A Well, I saw more good things in Russia than I expected to find. There is a much more friendly spirit in the average person than you would expect after years of anti-American propaganda. And the economy there is moving ahead more than I'd thought—especially industry. Socialist experiments aren't doing too well in farming and business, but industry impressed me favorably, more than anything else.

Q What impressed you unfavorably?

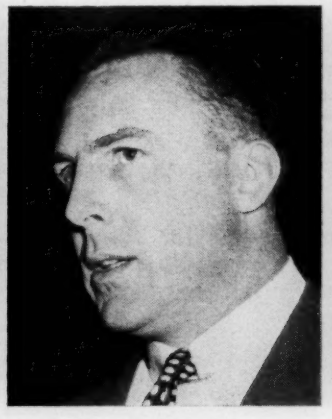
A I guess it was the red tape, especially in business. Nobody wants to make a decision. And they have all kinds of regulations to mess up ordinary transactions. For instance, we paid Intourist Agency $19 a day for its services. What we had to do was go to the bank every day to pay it in. Well, that took us at least two hours a day—a process that would have taken one or two minutes here.

Q Have you changed your ideas about Russia as a danger to the U. S.?

A Well, less dangerous from the standpoint of them starting another war. Certainly the chances of war are less now than they have been for a long time. Could you have imagined, only a couple of years ago, a group of

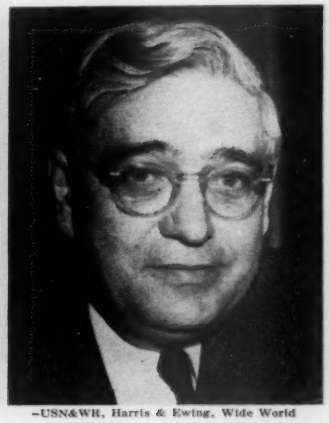
(Continued on next page)

SENATOR YOUNG



REP. HILLINGS

SENATOR ELLENDER



—USN&WR, Harris & Ewing, Wide World

SENATOR DWORSHAK

American Senators like us touring the Russian atomic-energy plant?

Q Are the Russians really changing their objectives?

A Oh, I'm sure there is no change in their over-all Communist objective of conquering the world. But I don't think they are as willing to face up to war to accomplish that as they once were.

Q What about the people—are they better off or worse off than you foresaw?

A Oh, better off. Of course, they are not dressed flashily. They are very plain, ordinary in their clothing. But they have the minimum requirements. And I'll have to admit that I found no unemployment there.

Q What about trade? Is that going to grow, between Russia and the U.S.?

A Well, there are great opportunities there for American goods, particularly agricultural supplies and machine tools. In turn, they say they're willing to give us equal value in their goods. Now, of course, it will take time for this to develop. I don't think the time is ripe yet for sending machine tools and other things like that to Russia, until we know more about their intentions.

"RUSSIANS HAVE NOT CHANGED THEIR BASIC DESIRE"

An Interview With Representative Patrick J. Hillings (Rep.), of California

Q Have your opinions about Russia changed any because of your visit, Mr. Hillings?

A The only real change is that I saw that the Russian people, in the big cities, are a little better off than I expected. But the people in the satellites have a more difficult life than I expected. In talking to them, they always bring up their unhappiness. They kept asking: "What are you going to do about it?" I had to tell them there was very little we could do. I'm sure we have millions of friends in the satellites, and they would help us if they could. But I see no chance for an overthrow unless there is a collapse in the Kremlin, or something like that.

Q Do you think the Russian leaders have changed their ideas?

A I'm convinced the Russians are playing a great, international confidence game. They have not changed their basic desire that Communism someday rule the world—even if they smile now. The new leaders—and I'm convinced Russia is being run by a committee—do not want war. They do not feel prepared for it.

The Russians are having economic difficulties. Everywhere, you see long queues for foodstuffs. Reports from the collective farms indicate the system is not working well. There's a tremendous shortage of vehicles. And people don't have adequate clothing or decent housing.

Q Are we reaching the Russian masses? Do they know anything about America besides what the Kremlin tells them?

A One of the things we should demand, as we did at Geneva to test their good faith, is to open up the Soviet Union to more communications from America.

It's good to have Americans visiting over there, but they don't let us see much or talk to many. So far as the Russian people knowing what we do and say, not much is published over there.

Q Were you surprised by anything?

A I was startled by how many Americans are being held behind the Iron Curtain. In Rumania, their President told me there were 364 people who claimed to be Americans. I asked him why they didn't let them go. "Well," he said, "we're not sure they really want to go." In Poland, we figure there are as many as 4,000 Americans. That's a definite sign of bad faith. It dampens the "Geneva smile."

Q Do you think it's time for America to reduce its arms load, now that Russia seems more friendly?

A I'm more convinced than ever the smiles are superficial, and to cut down our defenses would be the height of folly. It's all right to negotiate and talk, but we must demand more than smiles and a few visas.

Q Can we expect a real change in Communist outlook in the long run?

A Some people feel we will be able to see a basic change in the Communist line. The atomic age changes the whole course of civilization, and the basic tenets of Communism must be changed, because Marx and Lenin lived in a different world. It's not impossible that a change could come. There is some hope, since the death of Stalin, that we might see in the future a change in Communism. But we can't afford to sit back and relax and wait for it.

(Continued on page 104)

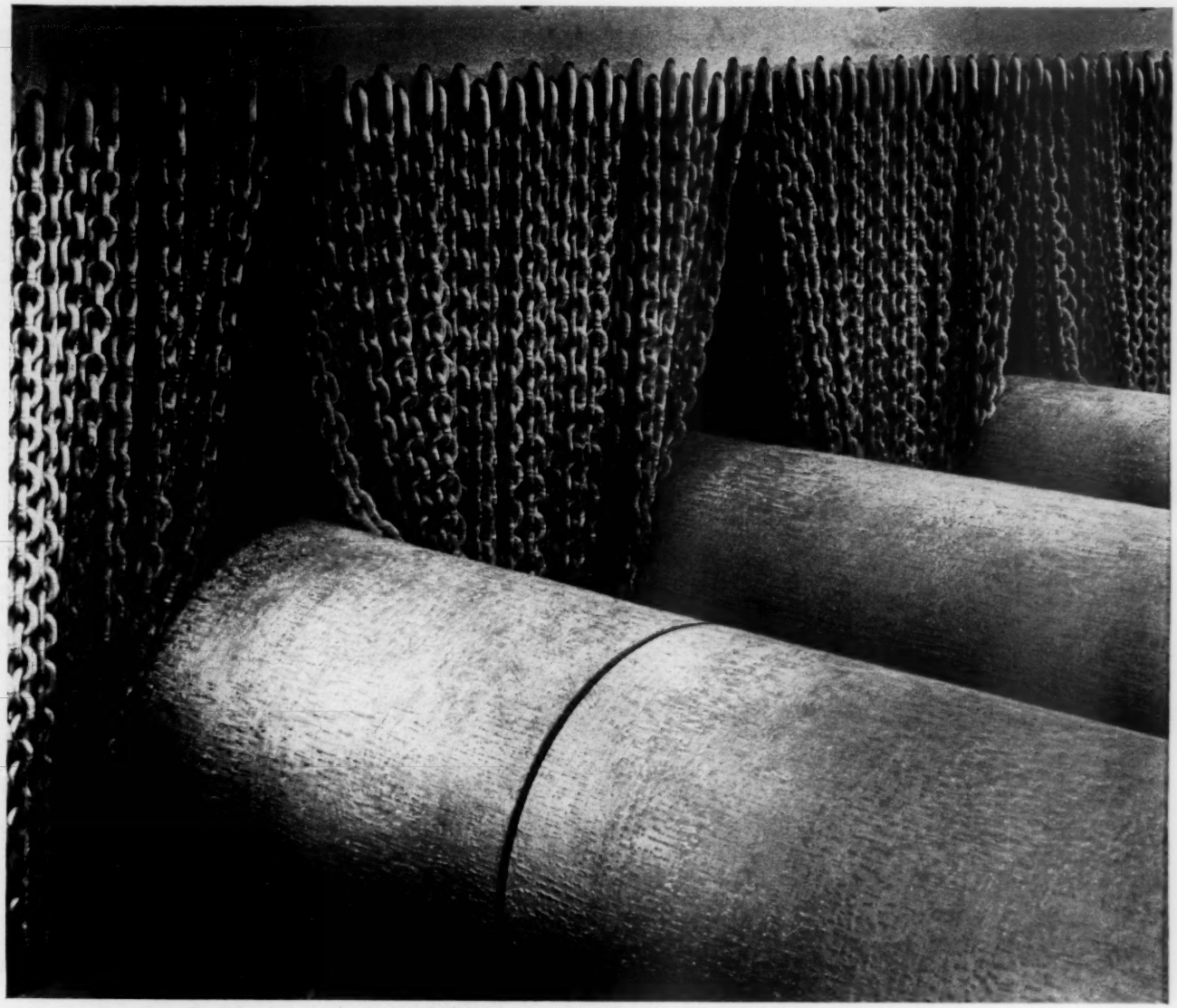
SENATOR MALONE

REP. COOLEY

REP. ROBSION

–United Press, Harris & Ewing

REP. HOLT

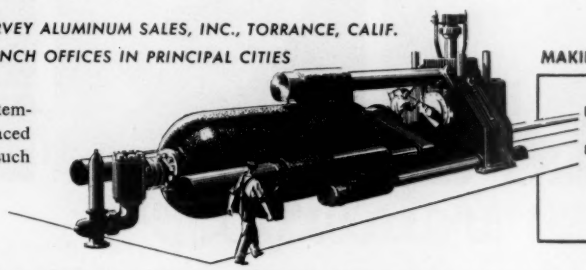


Iron Curtain... *American Style*

With 500 million people behind the iron curtain of totalitarianism it is time to consider the individual enterprise system we have in America—symbolized by the aluminum ingots moving into a Harvey reheating furnace, above. Our system was designed to multiply the wealth, not divide it. Individuals labored, profited from their labor, saved, invested in competitive enterprises, and prospered. Millions of other individuals freely invested a share of their own wealth in the ownership of these enterprises, confident that tomorrow can always be made better than today. As a result of this confidence America has become rich in things money can buy and richer in things money cannot buy. Let us hold onto this confidence. Harvey Aluminum is a product and an advocate of free competitive enterprise...American style. Our integrated team of research specialists, metallurgists and engineers, backed by over forty years of experience, is ready to help you solve any problem that involves the use of aluminum. For the detailed story of how Harvey can help, contact a Harvey Engineer today.

HARVEY ALUMINUM SALES, INC., TORRANCE, CALIF.
BRANCH OFFICES IN PRINCIPAL CITIES

MAKING THE MOST OF ALUMINUM... FOR EVERYONE



After reheating to proper temperature, the ingots are placed in giant extrusion presses such as the one at the right.

HARVEY Aluminum

Harvey is a leading independent producer of aluminum extrusions in all alloys and in all sizes, special extrusions, press forgings, hollow sections, structurals, rod and bar, forging stock, pipe, tube, impact extrusions, aluminum screw machine products and related products. Also similar products in alloy steel and titanium on application.

THINGS "MUCH BETTER" THAN EXPECTED

An Interview With Senator Allen J. Ellender (Dem.), of Louisiana

At TOKYO

Q Senator Ellender, how did you find things in Russia—better or worse than you expected?

A Much better.

Q Did you visit any farms?

A Yes, I spent a very pleasant afternoon and part of the evening visiting a huge co-operative about 45 to 50 miles out of Moscow. And I got to visit a farm family.

That family, by the way, had a television set, and the lady of the house said, "I don't know how this thing operates, but I got my little daughter, who knows." The little daughter came in—she was about 12 years old. Within seconds she had that thing operating, and what do you think they were doing? It was television of the Russian farmers visiting America, and our farm delegation visiting Russia.

Q Do you think it's worth while for this exchange of visits to continue?

A One thing I would like to emphasize is this: That in my humble judgment there is entirely too much suspicion on both sides of the Iron Curtain. And I don't know of any better way to dispel that suspicion than by having Americans go to Russia and Russians to America, on the same basis.

In this farm co-operative, for instance, before I left I was speaking to about 15 people there, and I looked at them and I said, "You know, it's a great pity that you people couldn't come to our country and see our own people. We're somewhat like what you are. Our babies cry just the same, chickens cackle just the same, the roosters crow the same way, the dogs bark the same way." And I said, "If you were able to dispel the suspicion that exists between our two countries, I really and truly believe that we could have permanent peace." And, with that, they spontaneously clapped.

Q Would these visits be of any material help to the United States?

A Well, it might stop us from having to spend 35 to 50 billion dollars we're spending every year for defense. In other words, if we can convince the Russians that we have no ulterior motive, and we can be shown that they really mean business, I think it would be a good thing.

Now, in making all these suggestions, I'm not suggesting for a moment that we lower our guard until we're certain of what we're doing—until we're certain that they mean to exchange views, and we learn from them and they from us.

PEOPLE "ALIVE, ALERT, DYNAMIC"

An Interview With Senator Henry C. Dworshak (Rep.), of Idaho

Q Have your feelings about Russia changed, Senator Dworshak?

A Yes, I'd say so. For one thing, I'd say the Russians are stronger, a lot stronger, economically, than I'd thought. There has been all this talk about how backward and weak the Russians are, how they don't have anything to compare with us, that they can't stand up to us, and so on.

Well, let me tell you this: That simply isn't so. Their agricultural production may be inadequate. But it's a country with great potentialities.

Q Did the people surprise you at all?

A I was much impressed by their friendliness. Now, I'm sure there has been all kinds of Communist propaganda over the past few years to make them dislike or fear us. But they answered all our questions. I don't know what is in the mind of a Russian, but I'm sure he is friendly with us.

Q Did you get the impression, then, that war is less likely?

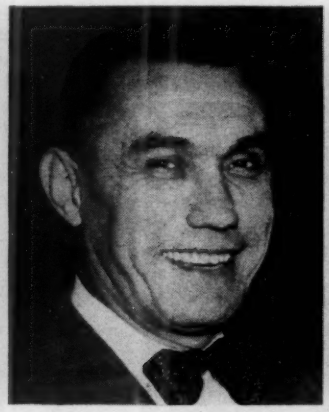
A They don't strike me as being intent on war. I don't think they want to get into an atomic war. But don't doubt for a moment that they are devout Communists, and they still have the long-range goal of Communist triumph in the rest of the world. What they are doing now, as I see it, is changing their strategy to a more peaceful means of achieving it, rather than by using military aggression or the cold war.

Q Then you think the cold war may be over?

A Oh, I'm not sure about that yet. We may have a more accurate concept of the Russian intentions after the Geneva meeting of foreign ministers.

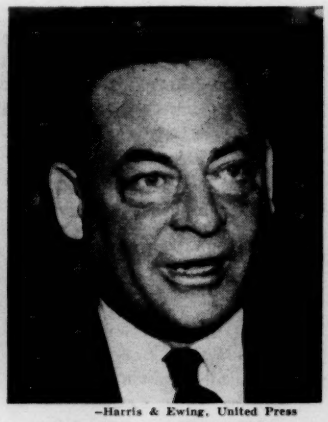
(Continued on page 106)

REP. J. J. RHODES



SENATOR FREAR

SENATOR PURTELL



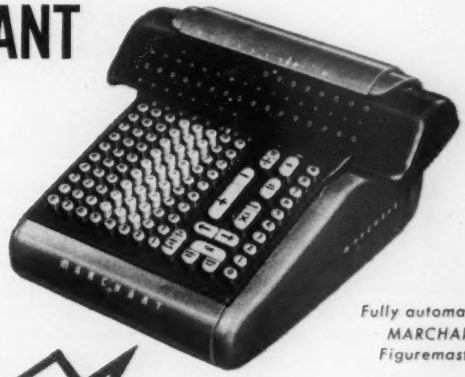
—Harris & Ewing, United Press

SENATOR HENNINGS

No one cranks a phonograph these days

. . . but many still hand-crank calculators . . . spending time that would soon pay for a high-speed, automatic **MARCHANT**

Human time has become the most expensive factor in business today, to the point where management cannot afford to keep hand-operated or outmoded electric calculators on the job. You owe it to your business to try out a new automatic MARCHANT . . . a calculator so simple to operate that anyone in your office can use it immediately with speed and utmost accuracy. Call the local MARCHANT MAN and see for yourself, through an actual run on your regular work, just how quickly MARCHANT calculators would pay for themselves.



Fully automatic MARCHANT Figuremaster

SEND THIS COUPON!

MARCHANT AMERICA'S FIRST *Calculators*

YOU CAN TURN TIME INTO MONEY WITH A MARCHANT!

Learn how MARCHANT calculators can turn out your business arithmetic easier and faster . . . at a saving. Mail this coupon with your business letterhead for free . . .

Index to Modern Figuring by Marchant Methods ☐

Descriptive Literature on Marchant Calculators ☐

MARCHANT CALCULATORS, INC.
Oakland 8, California U-10

Q Would you say there's prosperity in Russia?

A Maybe not quite, by our present-day standards. But the people we saw on the streets are doing well. They're alive, alert, dynamic. I watched people, at the agricultural exhibition, from all parts of Russia. I was struck by their fine appearance—they seemed in good health, cheerful, well clothed.

Q Did you come out with a friendlier feeling toward Russia?

A Yes, friendlier in that I have a better understanding of them—not only their leaders, but the people themselves. They're just as human as we are, and they don't want an atomic war any more than we do.

Q How about trade—did you get the feeling that it might be expanded?

A Yes, in nonstrategic trade. Not machinery or other strategic goods. But we have food surpluses and other things that could help the Russian people.

Summing it up, I came away with the feeling that we have to reciprocate Russia's overtures. We have to promote better understanding. At the same time, of course, we have to keep up our preparedness against any surprise aggression.

Q What do you think now about our own policies—after seeing Russia?

A America and Russia cannot now enter into a period of relaxation and disarmament—that's my own feeling after meeting some of their top officials—Khrushchev, Bulganin and others. We do need a strong economy here—we should control inflation. Maybe within the next year we will have a better idea of how much the Russians have really changed, and what it does to our own planning.

COMMUNIST BLOC STRONG, "GETTING STRONGER"

An Interview With Senator George W. Malone (Rep.), of Nevada

Q Senator Malone, how long were you in Russia?

A In Russia for a month, longer than any other legislator who's gone over there this year. I covered more than 15,000 miles, from Tiflis—that's way down near the Turkish border—over to Siberia. I visited all the satellites, too.

Q What did you find about Russia—is it strong?

A Of course. And it's getting stronger. Places like the Ural Mountains—they're loaded. My feeling is that in a few years the Communist bloc can be made fully self-sufficient for everything they need.

Q Were you able to meet people freely?

A I had no trouble. I met six out of the 11 top men in the Kremlin. Socially, too. And I talked with technicians, and let me tell you that their engineers know their business. They can build a dam in America or anywhere else.

Q Did your visit change your mind about our own policies? Are we being too tough, too hard, or what?

A I feel more than ever that it's time we in America sat up and took notice of how things stand. Western Europe's colonies are all but finished. Russia is on the way to becoming self-sufficient. That adds up to one thing—the balance of power has shifted from Europe to Asia—Asia including Russia.

Let me tell you something else: It's time we concentrated on making our own system work, instead of mixing up in other people's business—defend the Hemisphere, not scatter our money all around the world.

Q Weren't you quoted in Moscow as favoring more trade between the West and Russia?

A My position is simple: Our military leaders assume we may fight Russia someday soon. If so, anything we send them is strategic material; it's going to help Russia—whether it's shoes or shirt buttons.

But, instead, we say it's all right to trade, not in guns but in so-called "nonstrategic" goods. And our allies are even letting war material slip into Russia from factories that we financed for them.

Five years ago I wanted to stop all trade with Russia, but I was overruled. Now I say: Let's make sense. Trade or don't trade. One or the other. But let's not try to kid the American people that we can do both.

"WE WENT TO EVERY PLACE WE WANTED TO GO"

An Interview With Representative Harold D. Cooley (Dem.), of North Carolina

Q Mr. Cooley, what surprised you most about Russia when you went there?

A Well, in Leningrad I was amazed to find that you still find the atmosphere of a slave camp or cemetery. Life there seems sad and dreary—very few modern improvements such as you'd expect.

In Moscow, on the other hand, I was very much impressed by their agricultural fair. I really believe it is one of the most magnificent the world has ever seen. And conditions generally in Moscow seemed better by far than in Leningrad.

Q How do you feel about the Russians now—friendlier?

A The Russian people themselves, yes. You can't help but be sympathetic when you see the sad situation they're in—for instance, watch women working like stevedores, sawing logs, building railroads and highways.

But I certainly don't feel any friendlier toward the Russian officials who keep the people enslaved.

Q What about trade with Russia—should it be encouraged?

A Nothing very extensive. We can't afford to send them anything calculated to build up their war machine. Now, if there are needy people we can help with food, or something like that, we ought to do everything we can to help the people.

Q Did your visit change your opinion of Russia?

A No change at all, except this: Stalin, while he was alive, called all the balls and strikes. He was a complete dictator, a very dangerous man. Now they have something like collective leadership there, taking his place, and there's always the chance that, out of a group of men, you will find one or two who favor moderation.

Q Were people friendly? Could you travel freely?

A Oh, we went to every place that we wanted to go. Most of the people we met were officials of one kind or another—factory managers, and so on. Some sent their "best regards to the people of America." Generally, I found the Russian people very cordial.

Q How do you feel now about the chances for peace, after seeing Russia?

A Definitely more hopeful.

(Continued on page 108)

CAUSTIC SODA . . . tames your table oils

From America's farmlands of cotton, corn and soybean come nearly 5 billion pounds of edible oils each year. These consist of salad and cooking oils, margarine and shortening.

In their natural state these oils are raw and wild. They are loaded with fatty acids, phosphatides, color bodies and other impurities which make them unpalatable, unattractive, and liable to early rancidity.

These undesirable substances are removed by refining . . . a process which may vary in a number of ways, but which always depends on alkalies, usually caustic soda, either by itself or in conjunction with soda ash or ammonia.

The oils, when "tamed," are delightful to the taste, and they add nourishment to meals in your home and in your favorite restaurant or dining room.

The use of caustic soda to make foodstuffs purer, tastier and more stable demonstrates another aspect of the versatility of this chemical. Columbia-Southern, a leading producer of alkalies, has been supplying American industry with many basic chemical needs for over half a century.

COLUMBIA-SOUTHERN CHEMICAL CORPORATION
SUBSIDIARY OF PITTSBURGH PLATE GLASS COMPANY
ONE GATEWAY CENTER · PITTSBURGH 22 · PENNSYLVANIA

CHLORINE, ALKALIES AND RELATED PRODUCTS
OFFICES IN PRINCIPAL CITIES
IN CANADA: Standard Chemical Limited and its Commercial Chemicals Division

"WAR IS LAST THING THEY WANT"

An Interview With Representative John M. Robsion, Jr. (Rep.), of Kentucky

Q How do you feel now about Russia, Mr. Robsion—any different than before you went there?

A Yes, indeed. I feel that we have much less to be concerned about, after seeing the country—its obvious weaknesses. They're not helpless, of course. They have strong points, but I was prepared for those.

Q What weaknesses struck you particularly?

A Their farm production, for one thing. They cannot even feed themselves properly. It would be a very serious problem for the Russians if they ever got into a war with us, having to feed armies and the civilian population.

Then, as another example, there is a lack of adequate transportation. And we have a secret weapon in Russia. It's their bureaucracy. Everybody has to deal constantly with the Government, and it slows things down.

Q What do you think now about the chances of war?

A Well, I came away from Russia feeling a little more optimistic on that score. Russia is a tremendous country, but it is relatively undeveloped. I got the feeling, from the officials I talked with, that it is going to take all their energies, for years to come, to develop their resources and raise the standards of living of their people. War is the last thing they want.

Q Do you think the new Russian leadership has had a real "change of heart"?

A It's kind of hard to say when a Communist has had a change of heart. You sometimes wonder if Communists have hearts. I would say this: Their fundamental objectives have not changed, but they want to gain them without war.

Q Did you come away with the feeling that the U. S. ought to review its own policies now?

A I wouldn't say that our military budget is too high as it stands right now—or too low. After all, you have to remain strong when you're confronted with a country that has more soldiers and guns than you have. My feeling is that it's up to the Russians to prove their good intentions. But there is a definite lessening of tension everywhere. And I think there is a much better possibility than before that we can work out our difficulties with the Russians.

Q Did you come away with a friendlier feeling for Russia?

A Well, now, I can't say that I had any particular feeling—friendly or unfriendly—before I went to Russia, or after I came out. In a personal sense, I suppose you're prepared to be more friendly to people when you've met them.

"HOUSING, AGRICULTURE BOTHER THEM MOST"

An Interview With Representative Joe Holt (Rep.), of California

Q Has your opinion changed about Russia as a result of your visit, Mr. Holt?

A Yes, I would say so. I believe we should exchange entertainers with them—singers, actors and so on. They love jazz and entertainment. That's the only way to reach the people over there. We're not reaching them now with the housing delegation and the farm delegation. I'm against any more such exchanges unless our delegations have the same privileges over there that theirs have in America. I take a dim view of their helping themselves to our know-how on the two things that bother them most—housing and agriculture. I'd suggest, also, a free interchange of radio programs.

Q What impressed you most unfavorably?

A That we had no freedom. The things they want you to see are of the past. They would not let us see any of the present or the future, such as factories, labor meetings or schools. They protested to me when I tried to take slum pictures.

Q Did you get any impression of weakness?

A They have a country of extremes. It's difficult to draw real conclusions in such a short time. We did see some military equipment and airplanes, and they seemed to be very good. Their autos were very good, what they have of them. They do some things well, and some things third and fourth class.

Q From what you saw, do you think we should change our policy toward Russia?

A We shouldn't cut 1 cent from our strength, except what can be cut by improved efficiency. It is essential we remain strong. There is only one thing the Russians respect, and that is strength. This sweetness-and-light approach is just part of their foreign policy.

"DEFINITELY SHORT OF CONSUMER GOODS"

An Interview With Representative John J. Rhodes (Rep.), of Arizona

Q Mr. Rhodes, what's your feeling about Russia now?

A It hasn't changed. I went over there to see how far the sweetness-and-light policy had gone. I feel sure it will go only so far as their self-interest dictates. It's a maneuver—that's all.

Q Were you able to see what you wanted to?

A No. We were not allowed to see anything in the way of a factory. We were there two and a half weeks. In Moscow, we asked to see the Stalin Auto Works. We were told the manager was too busy. Yet [Representative] Pat Hillings, three days later, was allowed to see the Stalin Auto Works.

In Tula, about 100 miles south of Moscow, we asked the local equivalent of our mayor if we could see a factory. That was on Monday. He told us to come back Tuesday. We did, and he said: "In every country you have a holiday. Yours is on Sunday. Ours, here, is on Tuesday." But all the factories seemed to be working in full force that day.

Q What impressed you most favorably?

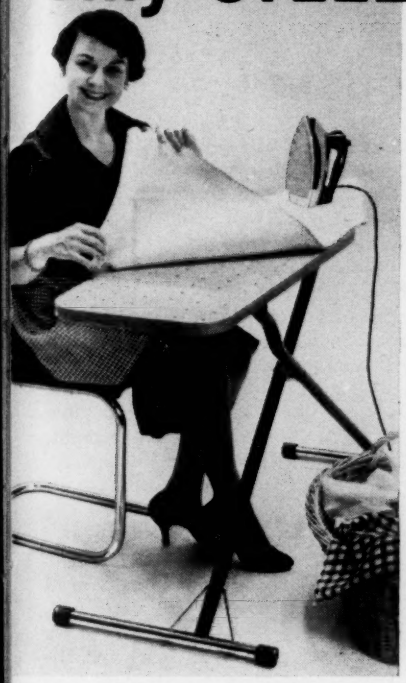
A The fact that the people didn't want to fight anybody—those that we were allowed to talk to.

Q What surprised you the most about Russia?

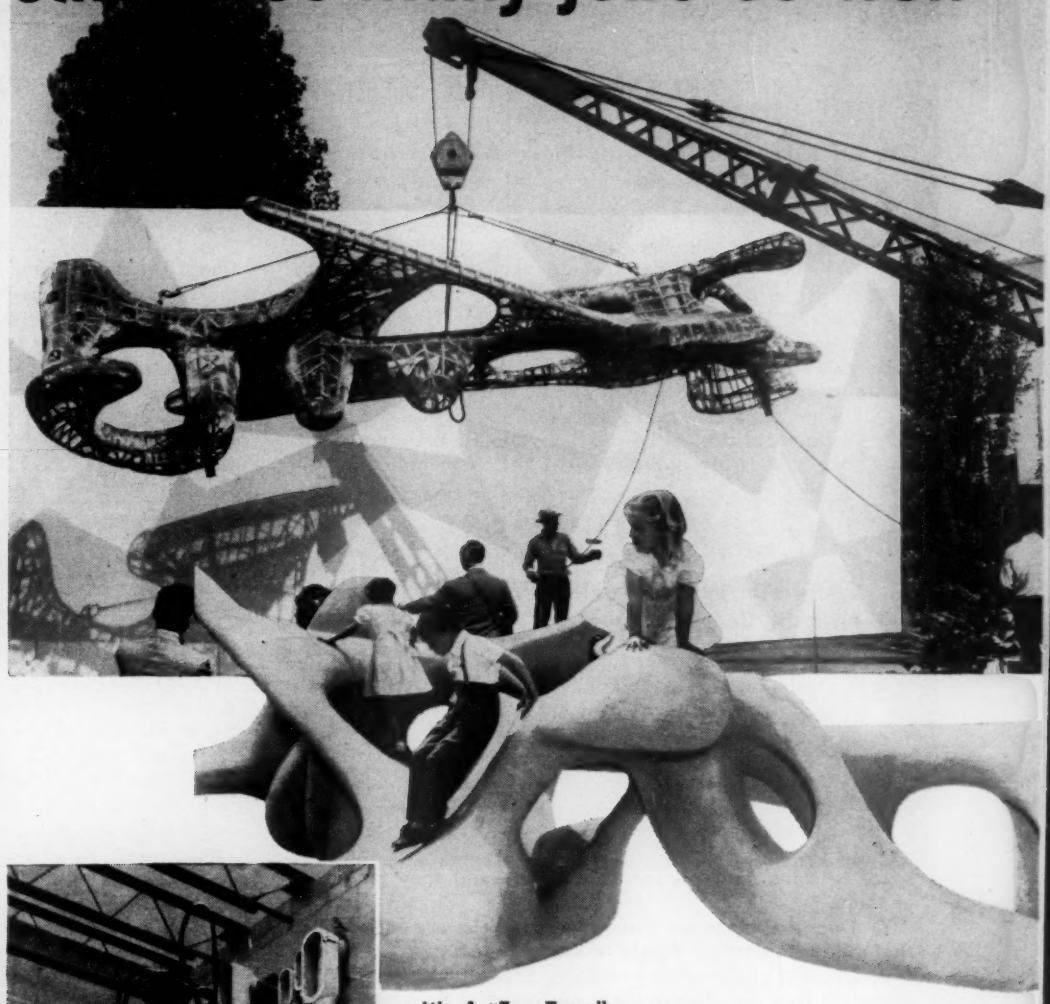
A The fact that they have quite a few tall buildings and excellent public transport. The Moscow subway is very good; it runs on time, and is more ornate than anything we have. Their railroad trains are clean and well kept and run on time, although they're slow. They have no dining cars. But we always had plenty of food; in fact, we gave food away.

(Continued on page 110)

Only STEEL can do so many jobs so well

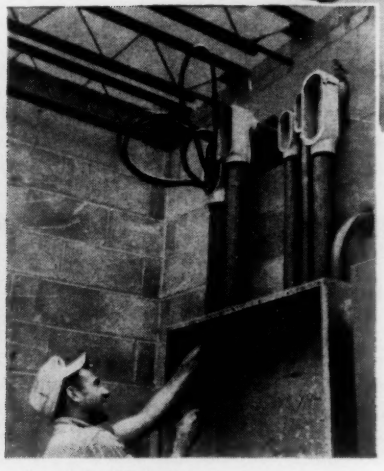


It Floats. This new steel ironing table floats right over milady's lap. The legs are offset to provide plenty of knee room. The steel tube legs are light and strong, can be adjusted to any convenient height for sitting or standing.



It's A "Fun Tree." Children love to clamber over weird-looking objects, so finally a special "Fun Tree" at Lakeside Park, Oakland, California, has been built for that very purpose. The framework is made from steel pipe and metal lath, and is covered with plaster.

Biggest In The World. It takes 33 *million* watts of electrical power to operate this 24½-foot-diameter electric melting furnace. It's the largest such furnace ever built, and it holds 400,000 pounds of steel. United States Steel designed and manufactured the furnace for a new, modern steel mill.



Adequate Wiring—sealed in steel. This man is pulling electrical cable through rigid steel conduit. It's the safest wiring method known: the rigid steel conduit protects the cable, and it protects the building against disastrous electrical fires. United States Steel makes a complete line of steel pipe for rigid conduit *and* electrical cable.

MANUFACTURED FROM USS STEEL UNITED STATES STEEL

This trade-mark is your guide to quality steel

UNITED STATES STEEL

For further information on any product mentioned in this advertisement, write United States Steel, 525 William Penn Place, Pittsburgh, Pa.

AMERICAN BRIDGE . . AMERICAN STEEL & WIRE and CYCLONE FENCE . . COLUMBIA-GENEVA STEEL . . CONSOLIDATED WESTERN STEEL . . GERRARD STEEL STRAPPING . . NATIONAL TUBE OIL WELL SUPPLY . . TENNESSEE COAL & IRON . . UNITED STATES STEEL PRODUCTS . . UNITED STATES STEEL SUPPLY . . *Divisions of* **UNITED STATES STEEL CORPORATION, PITTSBURGH**
UNITED STATES STEEL HOMES, INC. · UNION SUPPLY COMPANY · UNITED STATES STEEL EXPORT COMPANY · UNIVERSAL ATLAS CEMENT COMPANY 5-1289-A

SEE The United States Steel Hour. **It's a full-hour TV program presented every other week by United States Steel. Consult your local newspaper for time and station.**

"ECONOMY IS STRONGER THAN I THOUGHT"

An Interview With Senator J. Allen Frear, Jr. (Dem.), of Delaware

Q All in all, Senator Frear, did you get the feeling of Russian strength—or Russian weakness?

A Well, their economy is stronger than I thought it was.

Q Were the Russians friendly?

A Oh, yes. We saw no real animosity anywhere. It's easy to spot an American there by the way he dresses, and so on, so they could tell that about us. If you attempted to ask them questions, they accepted it with a smile and tried to help you.

Q Do you think now that Russia really wants peace?

A The general run of the Russian people themselves don't want war—that is my impression. At the same time, I think that the Kremlin is preparing Russia militarily for any eventuality, and that's one of the reasons they are trying to import machinery and other products they need from the outside.

Q Do you favor a build-up of trade with Russia?

A I don't agree to that until they've given us more indications of real friendship—it's too easy for them to change their face, to smile one day and frown the next.

Q Has your trip changed your basic thinking about Russia?

A In some ways, I suppose. I had a real chance to learn something about Russia first hand. They appeared to be less aggressive than I'd somehow expected. I came away feeling more friendly toward them—but more pessimistic about some of the things people think are going to happen overnight, such as a real change of heart by the Communist leaders.

"PEOPLE ARE MOST ANXIOUS FOR PEACE"

An Interview With Senator William A. Purtell (Rep.), of Connecticut

Q What do you think of Russia, Senator Purtell?

A No differently than before. I'd say my visit confirmed what I'd been led to believe about the way a collectivist nation operates.

Q Do you think the Russians want peace?

A I got the idea that the people are being less conditioned for a war now than before Stalin's death. The Russian people are most anxious for peace. And I don't think the Russian leaders want war. I think they want a breathing space to solve their economic problems—and they have lots of them.

Q Does that mean our own defense policies are out-of-date, that military spending should be cut?

A Oh, we can't cut our military budget just on the assumption that the Russians are no longer a threat to world peace. After all, they haven't changed their basic objectives—overthrow of capitalism everywhere, and communization of the world. In fact, we should be more on guard than ever. There are two things: First, keep ourselves as strong as we can. After seeing Russia, I realized more than ever that the only thing they understand is strength. It is our strength, and that of our allies in Europe, that has impressed the Russians more than anything else.

Second thing is to explore every possible avenue toward peace. We don't want to go around with a chip on our shoulder, waiting for the Reds to knock it off. And we do have an opportunity now to bring about a better atmosphere between ourselves and Russia.

Q Do you now favor more trade between Russia and the U. S.?

A We do have some trade now. Before there's any wholesale expansion, I'd like to see more of a demonstration of Russia's willingness to co-operate in world peace. Meantime, some enlargement of trade in nonstrategic items might be in order—but only if we approach the subject cautiously.

SHOW VISITORS INDUSTRY? "NOT WILLINGLY"

An Interview With Senator Thomas C. Hennings, Jr. (Dem.), of Missouri

Q Senator Hennings, what's your feeling about Russia after seeing it?

A You understand that I went into Russia at my own expense, and I only stayed there a week—in Leningrad and Moscow. And I didn't go there with the idea of becoming an expert on Russia.

But I did get several impressions—from what I could see and what well-informed people like the Ambassador there [U. S. Ambassador Charles E. Bohlen] and American newsmen could tell me.

I was particularly struck by the fact that the people seemed to be intensely serious about their work. I saw the utmost energy and dedication to hard work—no evidence of frivolity or "take it easy."

Q Were the Russians frank and friendly?

A Well, let me tell you about our interpreter in Leningrad. I asked him what was manufactured there, and he replied, "What do you manufacture in St. Louis?" So I told him, "Oh, nearly everything—shoes, chemicals, clothing, automobiles, and so on." He came right back, "We make everything here, too."

In other words, I got the feeling that they don't show you their industrial operations with any willingness.

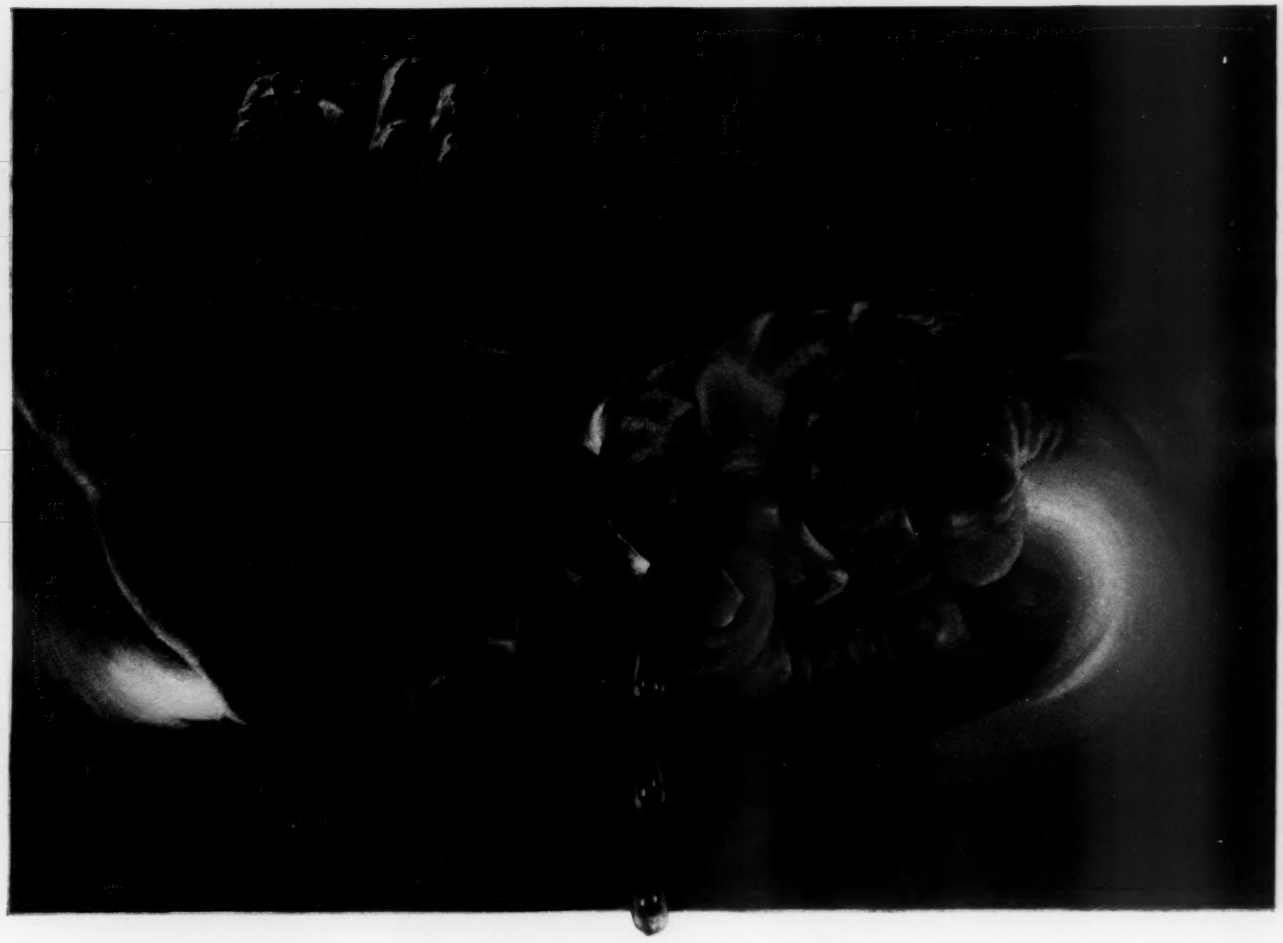
Q Were you surprised by anything you saw?

A I didn't realize so much building was going on as I saw in Moscow and Leningrad—not only Government buildings, but also housing projects. Then I was interested to see women working at all kinds of jobs—directing traffic, driving trucks, laying brick. And there's also a mixture of old and new that you find there. In a field you see a big, modern tractor being used alongside an old-fashioned scythe.

Q Do you feel there's a change of heart in the Kremlin?

A I can't pass as an expert on that. All I can say is that there's no reason to believe Russia has abandoned her dedication to the Communist philosophy. Nor have I any reason to believe that what presently seems to be an atmosphere of good will toward us in the Soviet Union is necessarily a permanent thing.

For another firsthand account on conditions in the Soviet Union, see page 62.



Intense Cold...Fierce Heat...Terrific Pressure

—forces of nature used by UCC scientists to work for you

HEAT SO FIERCE it makes steel boil . . . cold so intense it turns the very air to liquid . . . pressure so great it has the force of 600 hurricanes . . . space so "empty" that nothing could live in it.

THESE FORCES OF NATURE are used by industry in making so many of the things we take for granted today. The electric arc furnace—6,000 degrees hot—is the birthplace of alloying metals that go into stainless steel and other fine steels. Oxygen, so vital to medicine and industry, is extracted from air made liquid when cooled to more than 300 degrees below zero.

ETHYLENE GAS SQUEEZED under pressure of 15 tons per square inch changes into polyethylene. This remarkable plastic is used to make such familiar things as unbreakable nursing bottles, squeeze-spray containers, and transparent wrappings. Exposing natural gas to terrific pressures and the "nothingness" of vacuum have been key steps in making hundreds of new chemicals during the last 20 years.

THESE ARE BUT A FEW examples of how industrial scientists such as those of Union Carbide have discovered how to use the forces of nature to create the new processes and products necessary to America's progress.

FREE: *Learn how* ALLOYS, CARBONS, GASES, CHEMICALS, *and* PLASTICS *improve many things that you use. Ask for "Products and Processes" booklet H.*

UNION CARBIDE
AND CARBON CORPORATION

30 EAST 42ND STREET UCC NEW YORK 17, N. Y.

In Canada: UNION CARBIDE CANADA LIMITED

UCC's Trade-marked Products include

ELECTROMET Alloys and Metals · NATIONAL Carbons · ACHESON Electrodes · SYNTHETIC ORGANIC CHEMICALS · HAYNES STELLITE Alloys · PREST-O-LITE Acetylene · Dynel Textile Fibers · PRESTONE Anti-Freeze · UNION Carbide · LINDE Silicones · EVEREADY Flashlights and Batteries · PYROFAX Gas · BAKELITE, VINYLITE, and KRENE Plastics · LINDE Oxygen

so highly Regarded...so easily Recognized...so thoroughly Enjoyed...

Perfected more than 3 centuries ago...unmatched ever since!

Don't be Vague...say Haig & Haig ☆ *BLENDED SCOTS WHISKY, 86.8 PROOF* ☆ *RENFIELD IMPORTERS, LTD., N. Y.*

A SMALL-TOWN WORKERS' REVOLT

Resentment Flares Against Big-Union Tactics

The bloody strike at Perfect Circle has more behind it than a dispute between union and employer.

Some workers, prounion up to a point, don't like the methods used by their union to win a strike. Many grew up with the boss and resent outside interference.

Strikers and company men tell the story in this article.

–United Press

WORKERS INSIDE PLANT WATCH STRIKERS
At New Castle, there was gunfire

NEW CASTLE, Ind.

In late July, 1955, four small factories in this eastern Indiana farming area became the center of strikes called by the CIO United Auto Workers. Now, 12 weeks later, these strikes still are going on, and the three communities affected find themselves in the midst of a labor war that in many ways is a throwback to the strike violence of the late 1930s.

There are uniformed troops around to remind a visitor of the violent '30s. Martial law has been declared in all three communities. A back-to-work movement, now well under way, was interrupted when gunfire broke out around a picket line in New Castle. Several persons were wounded. When the Governor called out the National Guard to maintain order, it was the first time since 1937 that Indiana guardsmen had been sent into a labor dispute.

What's the trouble all about? Why can't the union and the company settle their differences in the usual peaceful way?

A study of union demands and company offers does not provide all of the answers. A visitor, after talking on the ground with union and company officials, comes away with the impression that this is more than a dispute between union and employer. People in the communities will tell you that underlying differences between many of the workers and the union caused much of the trouble.

One man summed it up this way:

"The United Auto Workers Union ran into a revolt of small-town folks who just don't like the UAW's big-city ideas, and its pie-in-the-sky demands, such as the annual wage. And the workers here don't like mass picketing."

–United Press

NATIONAL GUARDSMEN SURROUND FOUNDRY
Martial law was declared in three communities

Problems leading up to the strike go back many years.

The employer in this dispute is the Perfect Circle Corporation, manufacturer of piston rings for automobiles. The plants involved in the strike are at Hagerstown, Richmond and New Castle. All are small cities, located within an area of 30 miles. New Castle, where most of the violence occurred, has about 18,000 residents.

Perfect Circle was established in Hagerstown in 1895. The company was formed by residents of the area and still is owned by local people. Its officials

(Continued on page 114)

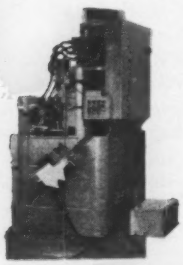
AS TIME GOES BY

Some things are kept around long after their useful life has ended. Some may have historical significance . . . a value to collectors, or the quality to inspire future generations to greater achievement.

This, however, is not true of machine tools. With the exception of prototype or interesting early models, machines that are obsolete have little or no value. In fact, they cost the manufacturer money.

Machine tools that cannot compete with the precision and high speeds of today's machines, should be retired before they raise production costs any higher.

Lees-Bradner high-speed Auto-Motion Hobbers and Cri-Dan Threaders are a sure way to meet and beat high production costs.



Your Lees-Bradner representative has the complete and amazing story . . . Call him in . . . or write us direct.

LEES-BRADNER 7 HD 8X20 SINGLE-SPINDLE HOBBER WITH ELECTRONIC CHECKER

the LEES-BRADNER Company

CLEVELAND 11, OHIO, U.S.A.

SH SPLINE HOBBER | 7-A ROTARY HOBBERS | CRI-DAN THREADING MACHINES | HT THREAD MILLER | 12-S HOBBER

IF YOU THREAD OR HOB . . . GET A BETTER JOB WITH A LEES-BRADNER

Struck Indiana plants employ about 1,300 . . .

grew up with many of the workers. About 250 of the employes have been with the company for 25 years or more.

The four plants had a total of 1,310 production workers prior to the strike. The largest unit, at Hagerstown, usually employs 730 production workers. The New Castle plant had 260 production workers. At Richmond, one plant had 230 production employes and the other had 90.

The union declined to give membership figures, but the company contended that, before the strike began, its checkoff records indicated the UAW had less than a majority of the workers in the three plants at Hagerstown and Richmond. More than 50 per cent were paying union dues at New Castle, the company said.

—United Press

FIRE DESTROYS SHACK
Rioters set the blaze

The company stated that, at the Hagerstown and Richmond plants, dues money was being deducted from pay envelopes of 45 to 50 per cent of the workers.

Production went on. The management also said that all during the strike about 70 per cent of the work force was on the job at Hagerstown and Richmond, with a smaller percentage on hand at New Castle. The union challenged the figures, stating that the company was counting supervisors and office employes.

The union does not deny company statements that production has been proceeding during the strike. A company official stated that September shipments of piston rings were 20 per cent larger than a year ago.

. . . Many employes resent outside interference

Why have so many workers gone through the picket lines? Their neighbors explain that many of the employes are conservative in their views. "There are very few radicals among them," one man said. "Many of them go along with the idea of belonging to a union, think it's a good thing, but they like the home-rule unions—the kind that are run by the men in the shop. They don't like the way the UAW international officials tell the local unions what to do, what to ask for in the contracts."

Although UAW got its first contract at Perfect Circle in 1937, it has had trouble holding on. The first contract covered only the New Castle plant, and the UAW was voted out by the workers a year later. The Auto Union won a new election at this plant in 1939. At Hagerstown, UAW won rights in 1942.

The UAW failed in a bid to organize a defense plant operated by Perfect Circle in Richmond during World War II. But, after the plant had returned to production of civilian products, in 1951 it won bargaining rights—by one vote. In 1952, the UAW won bargaining rights at the other Richmond plant.

When the time came to bargain for a new contract, the union this year demanded a "union shop" at Perfect Circle, and also sought the 21-cent "package" granted earlier by the Ford Motor Company and other car manufacturers. Those settlements provided for payment of benefits to workers during certain layoff periods. This was the plan that was commonly designated as a "guaranteed annual wage."

The union's demands were rejected by Perfect Circle, and the strike began July 25 at New Castle and Richmond. The Hagerstown plant was not struck until the next day.

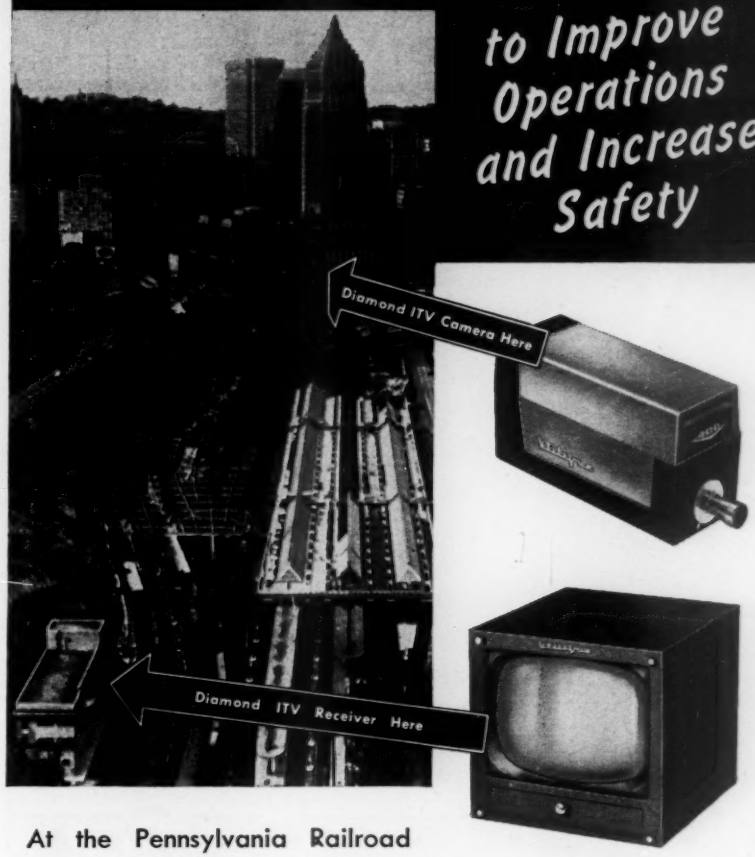
It was the "union shop", rather than the other demands, that caused the widest area of disagreement between company and union, in the view of company officials. A "union shop" provision would require all workers in the bargaining units to join the UAW and pay dues each month, on penalty of losing their jobs.

The company told UAW officials, when the dispute began, that it would not grant the "union shop." The company's position, as explained by William B. Prosser, vice president and general manager, is this:

"A majority of the people in the plant aren't interested in this dispute. They want to work and don't want us to concede on the 'union shop.' We never have

(Continued on page 116)

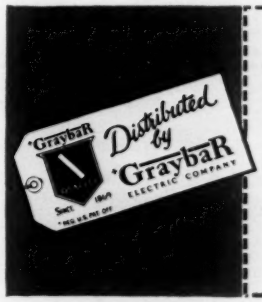
PENNSYLVANIA RAILROAD *uses* DIAMOND INDUSTRIAL TV *to Improve Operations and Increase Safety*



At the Pennsylvania Railroad terminal building in Pittsburgh, Diamond ITV watches the movement of mail cars in and out of the Post Office. The image is transmitted to the train director in a control tower 2000 feet away and on the other side of the terminal.

You, too, probably can use Diamond ITV to substantial advantage. For case histories and suggestions, get in touch with your Graybar Distributor or use the coupon below.

7259

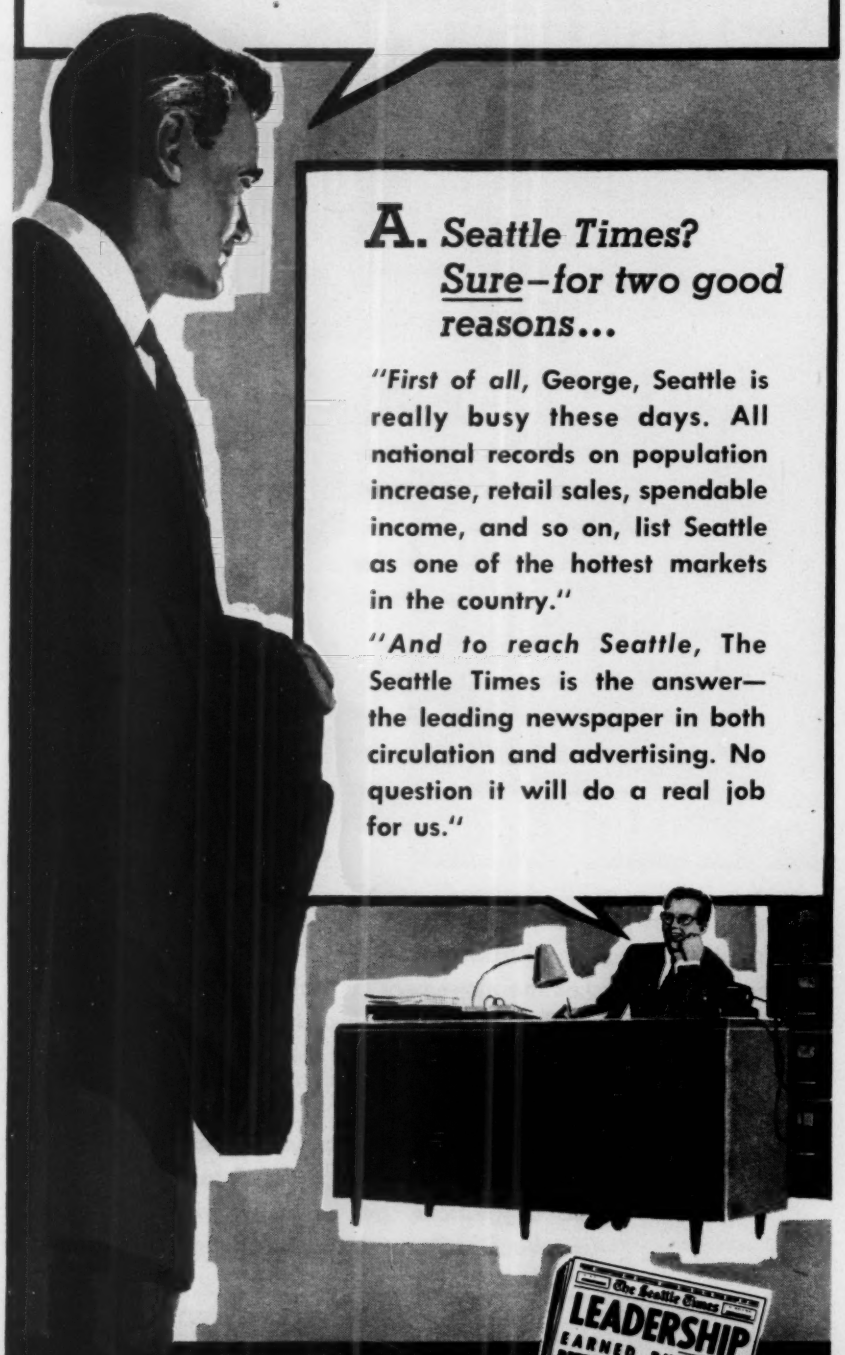


DIAMOND POWER SPECIALTY CORP.
"FIRST IN INDUSTRIAL TELEVISION"
ELECTRONICS DEPT., P.O. BOX 415EE
LANCASTER, OHIO

Please send me without obligation a copy of new bulletin showing how Diamond Industrial (Wired) Television will help me reduce costs, improve quality, increase sales and aid safety.

Name_____
Title_____
Company_____
Address_____

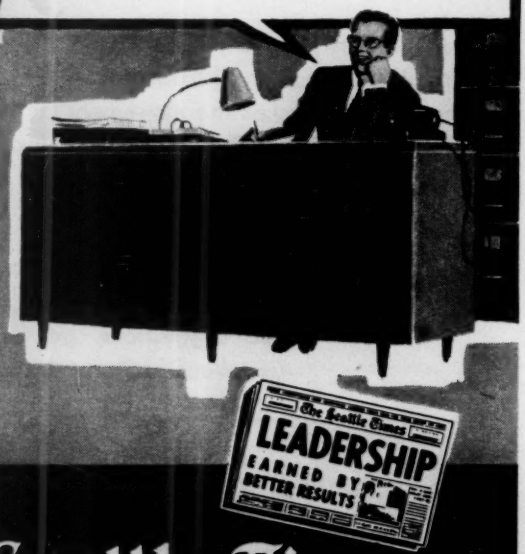
Q. *Say Frank, we put The Seattle Times on the "A" schedule didn't we?*



A. *Seattle Times? Sure—for two good reasons...*

"First of all, George, Seattle is really busy these days. All national records on population increase, retail sales, spendable income, and so on, list Seattle as one of the hottest markets in the country."

"And to reach Seattle, The Seattle Times is the answer—the leading newspaper in both circulation and advertising. No question it will do a real job for us."



The Seattle Times

SEATTLE'S ACCEPTED NEWSPAPER

Represented by O'Mara & Ormsbee, Inc.

New York • Detroit • Chicago • Los Angeles • San Francisco

Company officials firm against a "union shop" . . .

had and never will have a 'union shop' as long as I am here. We believe that a worker has a right to join a union. We are not trying to break the union. But the big majority of our employes don't want the CIO."

On the union side, a spokesman said that the "union shop" is not the chief stumbling block in the path to a settlement. "The union members," he said, "decided on the demands that were filed, and they voted overwhelmingly to go on strike to back up those demands.

"The demands included a guarantee of employment, a better pension plan, compulsory arbitration of disputes arising during the life of the contract, wage increases and the 'union shop.'

STRIKERS MASS AT GATE
Many workers stayed on the job

"What caused the strike," he added, "was the difference between our demand for a 21-cent package and the company offer of 11 cents—it always gets down to the money question in these disputes."

Management's offer included a pay raise of 10 cents an hour and 1 cent for "fringe" improvements. This was accepted by another CIO union, the Steelworkers, which has a contract at the company's plant in Tipton, Ind.

UAW's layoff proposal was rejected by Perfect Circle on the ground that few of its workers ever get laid off. Mr. Prosser said that the company's employment record for those on the seniority list is "99.7 per cent perfect" during the last three years.

"We don't think it is good business," he said, "to put several hundred thousand

. . . When guns roared, Indiana sent the Guard

dollars into a fund to finance unemployment benefits when they won't be needed."

UAW's reply is that other firms in the auto industry have had good records on layoffs, but that "we want to be protected against possible future layoffs."

Wages are not much of an issue. The company reports that its production workers averaged $1.96 an hour, or $89.16 a week, during the first half of this year, including overtime pay. Rates since midyear have been boosted by 10 cents an hour.

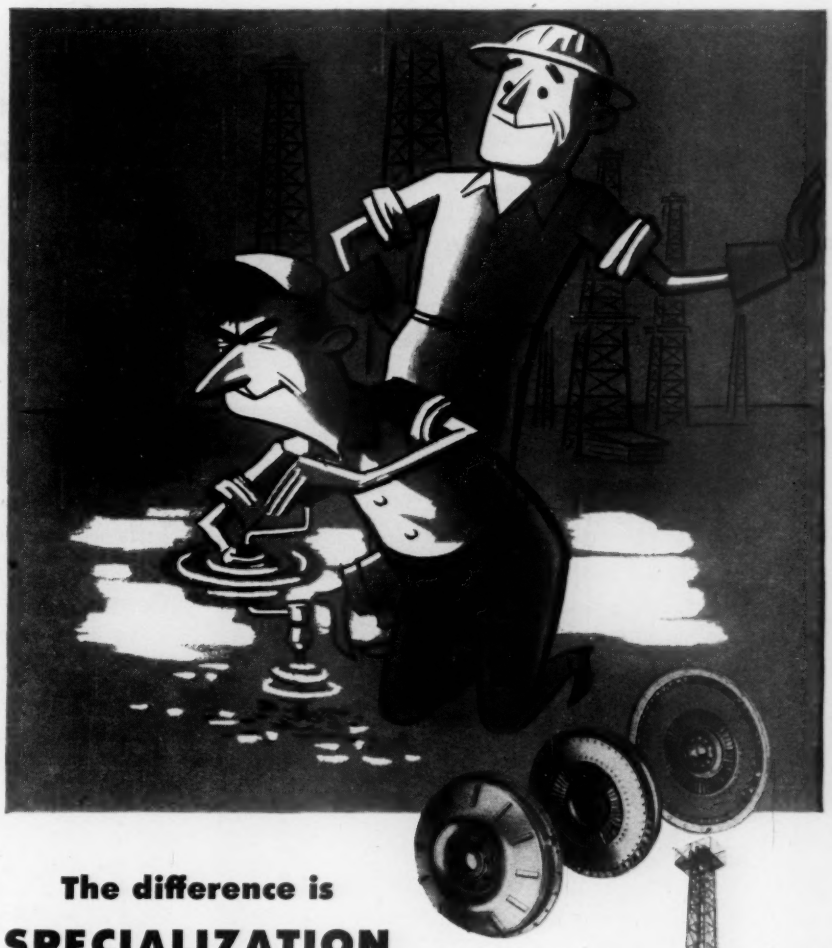
After the demands had been presented to the company, in June, petitions were circulated in the three plants at Richmond and Hagerstown. They asked for an election to "decertify" the UAW. This would take away its bargaining rights in those plants. The union filed charges with the National Labor Relations Board, claiming that the company was behind the petition movement, but NLRB rejected them.

A preliminary hearing has been held on the election requests, but the NLRB cannot act on the petitions until after October 24, a deadline for filing of briefs. After that, elections may be ordered for sometime in November. Governor George N. Craig has stated that he may have to keep the Indiana guardsmen on the scene until mid-November, because of the election delay.

The company accuses the union of trying to delay the elections because of fear that the union will lose bargaining rights in the three plants. One issue in the strike has been UAW's insistence that the company sign contracts for all four plants, without waiting for elections. The company has offered to bargain on the New Castle plant alone, since no petitions were filed there.

Violence has flared from time to time at each of the plants, but the earlier incidents were tame compared with the riot that broke out on October 5 at the New Castle plant. Hundreds of UAW members, witnesses said, came from plants in various Indiana cities to stage a demonstration at the factory gates. It was reported that someone called out an order to "rush" the plant and take out the nonstriking employes who were inside.

Shots were fired, and at least eight persons were wounded, including some in the plant and some outside. Company officials did not deny that the first shot came from inside, but said that workers inside had a right "to defend themselves from the mob trying to get at them." Some of the strikers fired back.



The difference is

SPECIALIZATION

The little guy shown above is drilling for oil—the hard way! He'll never "strike it rich" because oil well drilling today is a *highly-specialized* industry that requires *highly-specialized* equipment operated by *highly-trained specialists.*

Linking horsepower to industrial equipment also is a highly specialized art that can avoid equipment failure, costly downtime and interrupted work cycles. That's why more and more powered equipment users and manufacturers *standardize on Twin Disc Power Linkage.*

Since 1918, Twin Disc has specialized exclusively in the design, manufacture, and application of both Friction and Fluid Drives—providing exactly the *right* Drive for nearly *any* equipment used in *any* industry!

Twin Disc Model HUD Disconnecting Fluid Power Take-Offs ease operation—increase rig efficiency—lower maintenance costs on this Emsco GB-350 Drilling Rig powered by Model 220-G Murphy Diesel Engines. Rig is owned by Hagestad Drilling Company, Bakersfield, California.

TWIN DISC

CLUTCHES AND HYDRAULIC DRIVES

TWIN DISC

Fluid Couplings

TWIN DISC CLUTCH COMPANY, Racine, Wisconsin • HYDRAULIC DIVISION, Rockford, Illinois

Branches or Sales Engineering Offices: Cleveland • Dallas • Detroit • Los Angeles • Newark • New Orleans • Seattle • Tulsa

Interview with Antoine Pinay
Foreign Minister of France

Pinay Says—

MOSCOW COOLS "GENEVA SPIRIT"

France has just had a dose of "coexisting" with Russia—and finds it bitter.

Foreign Minister Antoine Pinay stalked out of the United Nations Assembly recently, then canceled his proposed visit to Moscow.

Here, in an exclusive interview, Mr. Pinay reports what led to the walkout, what inspired the French slap at the Kremlin, just what he told Soviet Foreign Minister Molotov privately.

Mr. Pinay also explains why the U. S., too, is criticized in France. He mentions Communist influence in the North African troubles and discusses the outlook as he sees it for divided Germany.

In this interview given in Paris to Robert Kleiman, Regional Editor for *U. S. News & World Report*, Mr. Pinay speaks for France, a key nation of the Western Alliance.

At PARIS

Q Mr. Pinay, there was much talk of a "Geneva spirit" for peace after the "summit" Conference there in July. Do you find that the so-called Geneva spirit has faded somewhat since July?

A Incontestably. The attitude of the Soviet Union recently has not been in the spirit of Geneva.

Q You are going to Geneva in a few days for another four-power conference with the Russians. Do you think anything will be accomplished?

A The vote of the Soviet-bloc countries in the United Nations has not increased the confidence which we might have had in these negotiations. In any event, vast problems were posed at the last Geneva Conference. We never believed these problems could be solved simply by another conference in Geneva of three weeks.

Q To what extent is the trouble in North Africa due to Communist agitation there?

A It is difficult to say. The Communists, in general, rejoice in everything that produces trouble in the political life of the whole world. What we know is that some Algerians, Moroccans and people from West and Equatorial Africa have been invited to spend some time in a revolutionary university of the Eastern bloc. These students of revolution returned to Africa just before the uprising of August 20.

We found that the equipment in the phosphate mines at Khouribga was destroyed scientifically, with the scientific methods of Communist sabotage. They did not sabotage at random, but systematically and scientifically destroyed the essential items of machinery and equipment.

Q Have any of these Communist agents been caught?

A Yes, some have been arrested.

Q Would you say that the Communists are a major factor in the North African troubles, or that they are a minor element which increases the difficulty of the situation?

A It is difficult to prove what part the Communist agitation has played in the origin of the trouble. But the Communists are quick to encourage trouble and try to take leadership of it.

Q Why did France walk out of the United Nations General Assembly?

A France left the United Nations to demonstrate its disapproval of a vote that violated the U. N. Charter. The United Nations was created to work for the settlement of disputes between nations, to help maintain and consolidate peace.

When the United Nations claims the power to challenge the territorial unity of a sovereign nation, it departs from its legal role, creates conflicts, encourages insurrectionary movements and therefore disturbs peace. That is why we could not accept a vote by the General Assembly to debate our Algerian problems.

Q You take the position that Algeria is a part of metropolitan France?

A Unquestionably. Algeria has been part of French territory for 125 years. There never was an Algerian state. There were only populations in a state of political anarchy. And the incorporation of Algeria into French territory was accomplished by a series of decisions which never has been contested by anybody. The countries that, in effect, now have contested this state of affairs by their United Nations vote are themselves signatories of treaties with a France that includes Algeria.

Some of these people claim that Algeria became French by conquest. But what nation can say that in its past its territory was not united by methods of this nature? To accept this principle would permit the United Nations to interfere in practically all nations of the world.

Copyright 1955, By U. S. News Pub. Corp.

Reds Stir Up North African Revolt . . . Argument With Molotov Over U.N. Vote . . . Russia Covets All Germany

Q Does France intend to withdraw entirely from the United Nations, or merely from the General Assembly?

A We are reserving our judgment on that. It depends on the respect that the organization of the United Nations will show toward the principle of its own Charter.

Q Under what conditions would France resume its seat in the General Assembly?

A We pose no conditions. France does not beg. France does not ask for charity. We will see what the United Nations will do, and then France will see what it will do in the future.

Q How do you analyze the grouping of nations that voted against France?

A It reflects very clearly the spirit of the Bandung Conference. It is a kind of declaration of war by the Arab-Asian countries. The Communist countries are rejoicing over it and it is clear that on this problem a convergence has been revealed between the action of the Communist bloc and the action of the Arab-Asian states.

Q How do you view the Soviet vote against France?

A I consider it an unfriendly act at a time when the Russians are affirming their desire to reach an understanding with us. The Arab countries may have obeyed emotional impulses. But the fact that the Russians voted against us, when they could have abstained, leads me personally to feel that they are meddling in the problem.

That is why Premier Faure and I decided to cancel our projected visit to Moscow. This was to be a voyage of courtesy, without any agenda for negotiations. But we find that the moment is not propitious to engage in handshakes and smiles while, behind our backs, the Russians behave as they did in the United Nations.

Q Have you explained this to the Russians?

A I told it to Mr. Molotov [Soviet Foreign Minister] the evening of the vote in terms that left no room for misinterpretation.

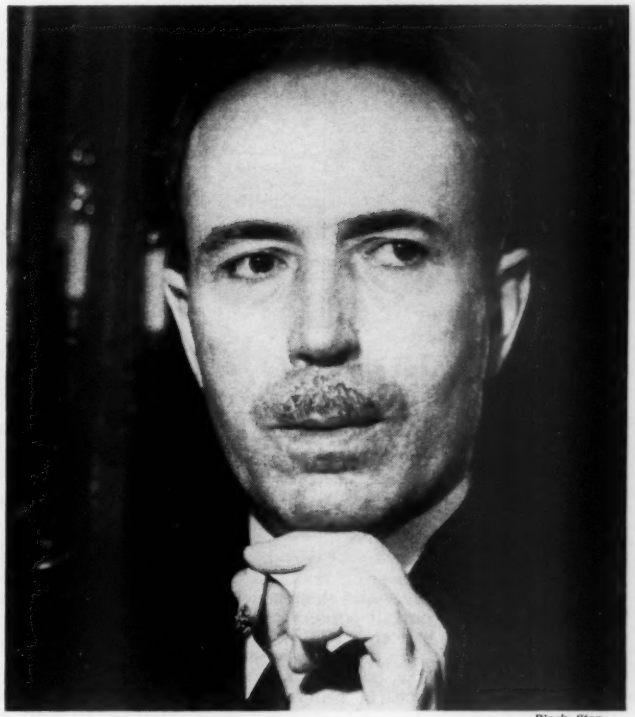
Q What was Molotov's reply?

A I said: "I do not think I need to express my views at length to convince you that your vote this afternoon is not going to facilitate the application of the policy of *detente* and *rapprochement*."

Mr. Molotov replied: "But I think that the French Government will understand that the Soviet Union has a constitution and a foreign policy."

I told him that I thought the Soviet Government would understand that France also had a constitution and a foreign policy. But, in addition, France has a public opinion, which expresses itself freely. Governments stay in office in France through the free expression of confidence of a parliamentary majority. And a part of that majority is going to rise up against the Soviet Union.

I finished by saying to him: "I thank you for having taken this attitude. It has had the advantage of dissipating certain illusions.



–Black Star

ANTOINE PINAY

"As far as we are concerned, our objectives remain unchanged. They remain the establishment of peace and the normalization of relations among nations. But, on the routes which lead to these objectives, permit me to tell you that you have placed obstacles singularly difficult to pass."

This conversation lasted a good half hour. Naturally, our trip to Moscow no longer had any reason to occur. And the French Cabinet, on the proposal of Premier Faure, was unanimous in considering it impossible to make the trip at this time.

Q There seems to be some resentment in France toward American behavior in the United Nations vote on Algeria. Do you feel that the United States did not give sufficient support to France?

A One can consider, in fact, that the United States could have been more active in favor of the French thesis.

Q Have you informed U. S. Ambassador Dillon in Paris of your feelings on this?

A I have indicated to Ambassador Dillon the reactions of French public opinion to this matter. I also asked our Am-

(Continued on next page)

WHY I LIKE TO COACH IN IOWA

Forest Evashevski

Forest Evashevski
Head Football Coach, State University of Iowa

"A stadium full of cheering fans means a lot to a football team and their coach. Iowa fans come from all corners of the state to back our ball club. Their spirit and loyalty make my job a pleasure. Even when we had a poor season, the Iowa stadium was nearly sold out for every game.

"You see that spirit in other places, too. I've coached in a number of states, and I feel that Iowa leads them all in pulling together for community progress.

"Iowa is a wonderful place to raise a family. Our neighbors are friendly, genuine people who made us feel at home the day we moved in. With four boys and a girl at home, that counts as another big reason why I like to coach in Iowa."

The spirit and loyalty Coach Evashevski mentions is an important consideration for business management. Iowans carry these qualities into their jobs. Their will to work and pride in accomplishment make for good employee-management relations. If you're thinking of a move, write to the Iowa Development Commission for information on the characteristics of Iowa's labor force.

IOWA
DEVELOPMENT COMMISSION
300 Jewett Bldg. • Des Moines 9, Iowa

"U.N. decision taken by 1-vote majority; more vigorous stand by U.S. would have led many countries to reflect" . . .

bassador in Washington to inform Secretary of State Dulles of these reactions, and I received a very kind letter from Mr. Dulles in reply.

When one sees the vigor with which Foreign Minister Spaak in Belgium intervened in our behalf at the General Assembly, one could not but regret that our American allies did not think it necessary to make the same effort. Frenchmen made the comparison and it is certain that their regrets are profound.

What Secretary Dulles Said

Q How did Mr. Dulles explain this?

A Mr. Dulles explained that the United States voted for us and that the U. S. made known publicly its opposition to inscribing the Algerian affair on the agenda. Then Mr. Dulles added that the United States intervened publicly to express its views.

It is true that the United States has behaved toward us—always—as loyal allies. It has supported us, but public opinion, nevertheless, believes that this help could have been more vigorous.

As you know, the United Nations decision was taken by a one-vote majority. A more vigorous stand by the United States certainly would have led many countries to reflect over the profound significance of their votes.

With the present representation in the United Nations, the West runs the risk of being permanently in the minority. It is evident that we could find ourselves exposed to great dangers in that event. Western continental Europe has only seven votes in the General Assembly. Germany, Austria, Switzerland, Italy, Portugal and Spain are not represented, nor Ireland.

We have in the United Nations countries in which there are no elections or democratic representation, in which justice is not organized, in which misery is taken fatalistically. There are countries in which there is hardly one doctor for 350,000 inhabitants, where the infant-mortality rate is 80 per cent.

Q Do you see any possibility that Russia will agree to reunify Germany?

A I have the impression that the Russians are not very eager to do so. We received that impression at Geneva, and Chancellor Adenauer's visit to Moscow confirmed it.

Q What do you think the Soviet objective is in Germany?

A They would like the system of East Germany to be applied progressively in West Germany to make a satellite of the whole of Germany. That is why they want to maintain the East German regime at all costs.

Q Is the West prepared to offer Russia security guarantees in return for reunification of Germany?

A We are prepared to offer the broadest kind of security guarantees, including a formal pact. But nothing can be achieved as long as the Russians consider everything we propose as insufficient.

Q Do you agree with British Prime Minister Eden's proposal that a zone of Germany be demilitarized to provide a buffer area between Soviet and North Atlantic Treaty Organization forces?

A Obviously, our military authorities would have to be consulted first on the advisability of this suggestion. For my part, I consider that this proposal would raise very serious difficulties and is not really helpful in solving the real problem, which is not specifically included in the Geneva directive.

—Gamma

FRENCH TROOPS VS. MOROCCANS
"Communists . . . encourage trouble"

Q Do you understand that Mr. Eden now has dropped this plan, which he presented to the "summit" Conference in July?

A I am saying that the experts of the three Western powers—the United States, Britain and France—have studied all the proposals in order to shape a single plan for the West to present at Geneva October 27. Each country makes its proposals, which then are amalgamated into an agreed three-power plan. The three powers have not accepted the proposal for a demilitarized zone.

Q Is it your view that American and British troops must continue to remain in Germany?

. . . "American troops must not withdraw from Europe"

A We want the American troops to continue to participate in the defense of Europe within the framework of NATO. It is essential that this defense plan of our civilization maintain itself and remain efficacious.

Q Do you think NATO can continue if the American ground troops withdraw from Europe?

A American troops must not withdraw from Europe. If they do, the NATO Alliance itself will be broken up. Its very basis would be removed.

Q Do you find that NATO countries, since Geneva, have tended to relax their military efforts?

A After the July Conference in Geneva, public opinion was tempted to believe that military efforts could be relaxed. The French Government, on the other hand, has never been convinced of this. We want proof. We cannot base our policy simply on verbal declarations. We want verified, indisputable facts.

Disarmament Question

Q Do you favor a reduction of armed forces on both sides of the Iron Curtain in Germany, as Mr. Eden proposed at Geneva in July?

A We are in favor of a plan for the reduction of armaments in general. But no plan for reducing arms can be effective without inspection and control.

As for the limited plan for inspection within a zone of Germany, it must be understood within the framework of reunification. We would accept this security plan only if Germany is reunified. Of course, we would at any time accept an effective plan that provided for a general reduction of forces under adequate control.

Q Do you agree with those Frenchmen who say that the North African problem can be resolved only by force?

A Certainly not. Force leaves victims. The victims accumulate rancor and this rancor leads one day to explosions. Repression never solved any problem. It can halt an insurrection. But, when there is a basic problem, the problem can never be solved by the addition of victims.

Q Do you think a settlement can be negotiated with the Moroccan and Algerian nationalists?

A I am convinced that we could arrive at an agreement very quickly if an end could be put to the agitation. The French Government has decided to give the Moroccans a direct role in the administration of the country. We are trying to constitute a government representative

(Continued on page 122)

what cost corrections like this?

In the eyes of the receiver, a bulletin represents the sender —represents his standards. How do you think the sender of the above bulletin is represented?

There is now no need—no excuse for duplicated representatives to hint of carelessness.

With the advances in MODERN duplicating you can have copies with corrections that defy detection—clean, clear copies of written, typed and drawn material, produced at high speed, in one or more colors, on a variety of paper and card stocks in a range of sizes. And produced at low cost.

For full information about MODERN duplicating (all four major processes) call your A. B. Dick Company distributor. You will find his name listed under Duplicating Machines in the classified section of your phone book. Or write A. B. Dick Company, 5700 W. Touhy Avenue, Chicago 31, Illinois.

A. B. DICK and 8 are registered trademarks of A. B. Dick Company.

A·B·DICK
THE FIRST NAME IN DUPLICATING

BRITISH COLUMBIA MEANS BUSINESS

LOOK TO BRITISH COLUMBIA FOR THE GREAT INDUSTRIAL DEVELOPMENT OF THE CENTURY

REASON: Low cost hydro power in abundance —Greater undeveloped potential.

REASON: The world's greatest source of soft-wood pulp for chemicals and wonder fabrics.

REASON: Huge reservoirs of oil piped to industrialized areas. Natural gas an immediate prospect.

REASON: Year-round open ports—Gateway to the Pacific. Favorable industrial climate —Complete transportation facilities.

MAIL THIS COUPON

Department of Trade & Industry
THE GOVERNMENT OF THE PROVINCE OF BRITISH COLUMBIA
Victoria, B.C., Canada
Please mail me your portfolio of information on the industrial opportunities of British Columbia.

Name .....
Company .....
Address .....
Products Manufactured .....

The Government of the Province of
BRITISH COLUMBIA
DEPARTMENT OF TRADE & INDUSTRY
VICTORIA, B.C., CANADA
HON. RALPH CHETWYND, MINISTER — T. L. STURGESS, DEPUTY MINISTER

. . . "Campaign of lies against Saar accords"

of Moroccan opinion with which we can negotiate the new political structure of the country. The Sultan, Ben Moulay Arafa, proved unable to constitute such a government and, with great nobility and self-abnegation, he has withdrawn.

An attempt now is being made to form a regency council of three to serve in his place.

Q Is it true that certain French generals have obstructed and delayed the appointment of the regency council?

A I do not know of any obstruction. I only know of difficulties. One must not be surprised that people who are in the middle of such a feverish situation did not execute without a certain delay orders that, in normal times, would be carried out without the slightest discussion. They saw the difficulties that surge up every moment, and they had some excuses.

The Government, like a doctor, says, "We must operate." The surgeon, who in this case is the Resident General in Morocco, says: "I want to operate. But I want first to put the patient in condition to bear it." If the patient has a relapse, the operation must be postponed.

Uncertainty in Voting

Q The people of the Saar will vote on October 23 in a referendum on the Franco-German accords for their new status. Do you think they will approve the accords?

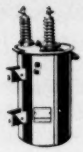
A All votes in conditions of freedom entail an element of uncertainty. We hope and have reasons to believe that the good sense of the Saarlanders will manifest itself. Some people try to make believe the situation is hopeless. I wonder whether what is presented as an impartial judgment is not in reality an attempt to influence the votes. We are obliged to recognize that the parties hostile to the proposed new statute in the Saar have been carrying on a campaign of lies against the accords.

I will give you an example. They are saying that the accords should be rejected because, once they are accepted, the French will institute compulsory military service and young Saarlanders will be sent immediately to fight in North Africa. This is a ridiculous lie. It is contradicted by the text of the accords themselves, which provide that there will have to be a new treaty, under the authority of a European Commissioner for the Saar, which will decide how the Saar will participate in European defense.

For my part, I base my position on

(Continued on page 123)

AMERICAN INDUSTRY places more Boiler and Machinery Insurance with HARTFORD STEAM BOILER than with any other company



because the Company's field inspectors and engineers not only lessen the chance of accident, but are often helpful in suggesting maintenance details which make money for owners by extending the useful life of equipment. . . . See your agent or broker.

INSPECTION is our middle name

The HARTFORD STEAM BOILER INSPECTION and INSURANCE COMPANY
Hartford 2, Connecticut

PAGE chain-link
America's First Wire Fence • Since 1883

• As defense against loss or damage hazards and as protection against unauthorized entry, provide Page Fence security. Whether you choose heavily galvanized Copper-Bearing Steel, corrosion-resisting Aluminum, or long-lasting Stainless Steel, PAGE Fence is quality controlled from raw metal to rugged fence erected on metal posts deep-set in concrete. Available are 8 basic styles, varied by heights, types of gates, top rails, and barbed wire strands for added security. Finally, your PAGE Fence will be expertly erected by a reliable, technically trained firm. For important fence data and name of nearest PAGE firm, write PAGE FENCE ASSOCIATION • Monessen, Pa.

FENCE

. . . "The Saar will receive its political autonomy"

what appears to me to be the essential facts: During our recent talks in Luxembourg with Chancellor Adenauer, the French and German governments reaffirmed that the European Statute of the Saar is an integral part of their policy on Franco-German *rapprochement* and European unification. That is the real meaning of the coming vote, and I am convinced that, if the people of the Saar are truly informed on this point, the response will not be in doubt.

Q What will be the status of the Saar if the accords are approved?

A The Saar will receive its political autonomy.

Hub of European Union?

Q But it will remain, will it not, in a customs and monetary union with France?

A The Saar will be able to establish economic accords with Germany as well as France. This will put the Saar in a most privileged position. On this basis, we hope the Saar will become the center of a European union.

Q What will happen if the Saar voters reject the accords?

A The present status of the Saar would continue. The parties hostile to the proposed new statute are spreading lies when they tell the voters that rejection of the accords would simply mean resumption of Franco-German negotiations to find a new solution immediately.

Q Do you mean that the Saar would continue its present status indefinitely, under French supervision?

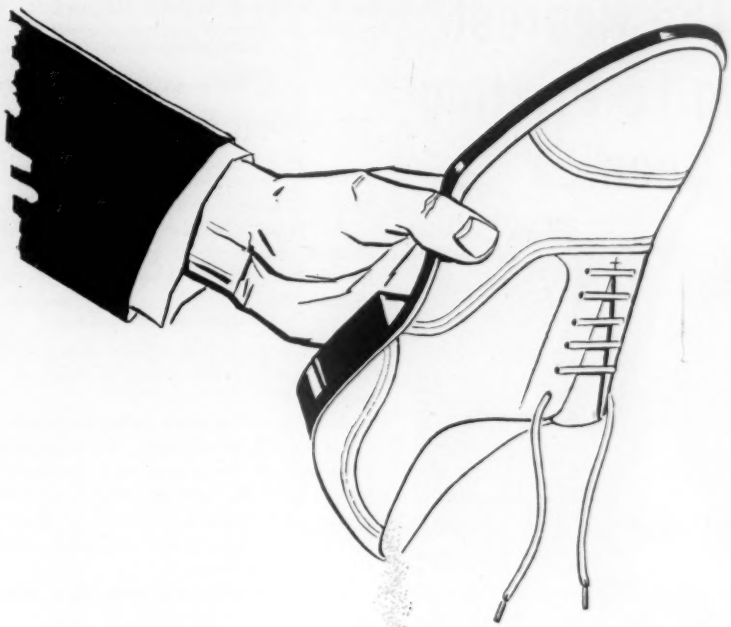
A Our Minister of Justice, Mr. Robert Schuman, spoke for the French Government on this subject just a few days ago. He said this: "I must remind you that it took more than five years to shape the agreement which now is being discussed. Can anyone believe that the search for a new understanding will be facilitated by the methods being used, methods which do not disquiet only the French observers? Let it be said everywhere, France is not a vanquished nation upon which a solution can be imposed against its will, no more than France would have thought of extorting from Chancellor Adenauer an accord that would be thus vitiated at its base."

Q Do you think the German Government has given adequate support to the Saar agreement?

A I believe that Chancellor Adenauer honestly supports these Franco-German accords, and he has proved it many times.

Q You spoke of the Saar as the center of a European union. Do you disagree

(Continued on page 124)



Sand in your Shoes?

Vacations often develop a distorted picture of Florida. The land of sunshine is much more than beaches and palm trees — it is a land of wide-open opportunity. Seasonal economy has become *stable* economy; a swiftly expanding population has created a market of major proportions. For accurate appraisal of Florida and Latin America in terms of your own individual business interests, look *first* to The First National . . . Miami's oldest bank.

Your questions about South Florida business or industry (agriculture, light industry, retail, wholesale, services or other) will be answered promptly. Please address your letter to:

Office of The President
The First National Bank of Miami
P.O. Box 2500, Miami, Florida

- Founded in 1902
- Complete Banking & Trust Services
- Se Habla Español

The FIRST NATIONAL Bank of Miami

101 E. FLAGLER ST., MIAMI, FLORIDA

MEMBER: FEDERAL RESERVE SYSTEM—FEDERAL DEPOSIT INSURANCE CORPORATION—BANKERS ASSOCIATION FOR FOREIGN TRADE

It's the Nearest Thing to Printing I've Seen.....!

Gestetner

TWIN CYLINDER STENCIL DUPLICATOR

This amazing new duplicator is designed like a modern printing press. Twin-cylinder impression system . . . paste ink in tubes . . . automatic controls . . . and other scientific press features, combine to make stencil duplicating attractively print-like in quality. The *Gestetner* will do a substantial part of the work now going to outside services . . . type-matter, line drawings . . . and even *halftones!* Clean, swift, silent—yet *it costs no more!*

Mail the coupon for actual specimens and literature.

GESTETNER DUPLICATOR CORP. Dept. 97
50 McLean Avenue, Yonkers 5, New York
Please send complete descriptive literature and actual specimens of Gestetner duplicating.

Name_____
Address_____
Company_____
Type of Business_____
City_____ State_____

. . . "We expect progress on atomic-energy pool"

with the Frenchmen who now say the idea of European union is dead?

A Those who say the idea of European union is dead are those who wish its death. Those who wish its development do not share that opinion at all.

Q Are you optimistic about further steps being taken toward unity in Europe?

A I am never systematically optimistic. I am merely confident. We have started to negotiate for a new step forward and the British are participating in this work, along with France, Germany, Italy and the Benelux countries [Belgium, Netherlands, Luxembourg].

Q What will this next step forward be?

A We expect to progress in the direction of a common market, a European transport organization and a European atomic-energy pool. The door is open to all suggestions put forward by any of the participants.

Q When do you expect some action to begin?

A We expect to receive a report in December. Action will be taken on the basis of that report.

Red Voting in France

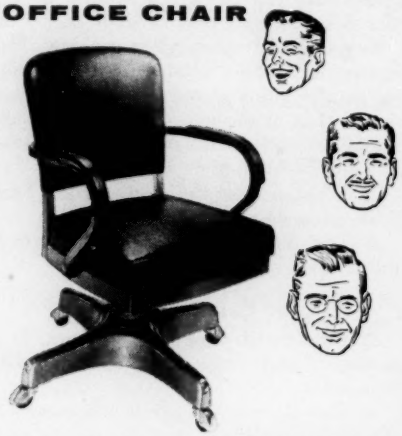
Q Do you think the Communist vote can be reduced in France's national elections next spring?

A The Communist vote can be reduced only if living standards continue to rise and anxiety decreases in regard to the problem of peace. But if we have troubles which require high military expenditures, troubles which lead people to worry about young men being recalled to military service, whatever the form of the war, it is evident that, worry being a bad adviser, it could produce votes for the Communists at election time.

The Government intends to maintain and promote a policy of financial, economic and social expansion in conditions of stability. That is why it has undertaken a policy of reform in North Africa, the only policy that would permit order and peace to be restored under conditions acceptable for all.

This policy has received the approval of Parliament. Its entry into operation, in my opinion, should give to the French people, and especially to the youth, the feeling that a renovation of our institutions is possible without appealing to an ideology that has been left behind by the present evolution of the world, an ideology which only develops in a climate of injustice and misery.

MORE MEN HAVE FOUND COMFORT IN THE HARTER C-1500 THAN IN ANY OTHER OFFICE CHAIR



It's a man's chair, this C-1500, with clean lines and the comfort of deep coil springs and resilient padding. Your choice of color in finishes and upholsteries. Write for literature on the C-1500; we'll send name of your nearest Harter dealer.

HARTER CORPORATION
2004 Prairie, Sturgis, Michigan

HARTER STEEL CHAIRS

CHANGES OF ADDRESS
Notice of change of address should be sent not less than two weeks prior to the date change becomes effective. Send the address at which copies are now being received and the new address at which you wish to receive copies.
U. S. News & World Report
Circulation Department
435 Parker Ave., Dayton 1, Ohio

YOUR DOUBLE-BREASTED SUIT
CONVERTED TO AN UP-TO-DATE
SINGLE-BREASTED MODEL

LIKE GETTING A NEW SUIT FOR
$19.50 Postpaid

Don't throw your old-fashioned double-breasted suit away. Have it converted by mail to a smart new single-breasted model for only $19.50 complete. Our master tailors re-design, re-style, recut even the collar and lapels of your coat to conform perfectly to present day styling. We'll make your coat larger or smaller if you wish. Satisfaction guaranteed. Write for FREE details how we convert your coat by mail or send your coat and check today.

ROGERS TAILORING CO.
Dept. UN-10, 821 Prospect Ave., Cleveland, Ohio

We've Been Asked:

ABOUT PENSIONS FOR WIDOWS

- Some Government pensions to widows may be raised.
- Here's how these payments compare under the various pension programs.

There's talk of the Government's raising some pensions that it pays to widows. What do these widows get now?

There is a wide range in the amounts that widows are paid under various Government programs. Some widows of servicemen receive very little. For example, the widows of some generals receive about $70 a month; others get nothing at all. The widow of a Civil Service worker might collect $500 a month, though most receive much less than that. Widows of Congressmen covered by pensions are eligible for varying amounts.

What, specifically, are payments to widows of military men?

The widow of a man who dies while on active duty gets $69.60 a month. The same compensation is paid to the widow of a veteran who dies from injury or illness resulting from his service. That's the peacetime amount, and it's the same for a widow of a general, an admiral or a private. Where death results from wartime injury, the monthly amount is $87.

Are some payments larger than others?

Yes. The payment to a widow who has minor children is higher. Thus, a widow with two children whose husband was given Social Security wage credits while in service draws $248 a month. Widows of some Reservists who are paid under a separate law also receive more.

Does a widow get anything if her husband did not die of causes connected with his service?

Not as a general rule, though some with small income can get pensions. There is some variation here. The widow of a veteran of World War I who died of causes not connected with his service can collect a monthly pension of $50.40 if her income from other sources is not more than $1,400 a year. The payment is a little higher if she has minor children —and she can have other income of up to $2,700. Similar payments are available to widows of veterans of World War II and of the Korean conflict who had serv-

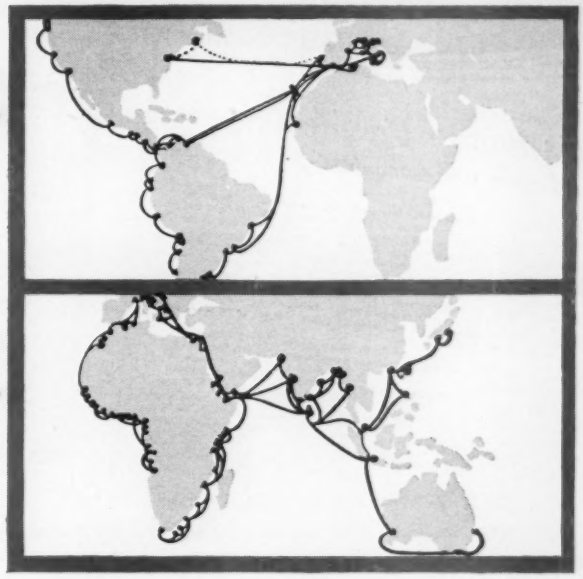
(Continued on page 126)

Italian Line

From both coasts of North and South America to Italy and all Europe via the Mediterranean

Lloyd Triestino Line

From Italy to South and East Africa, India, Pakistan, Far East, Somaliland and Australia



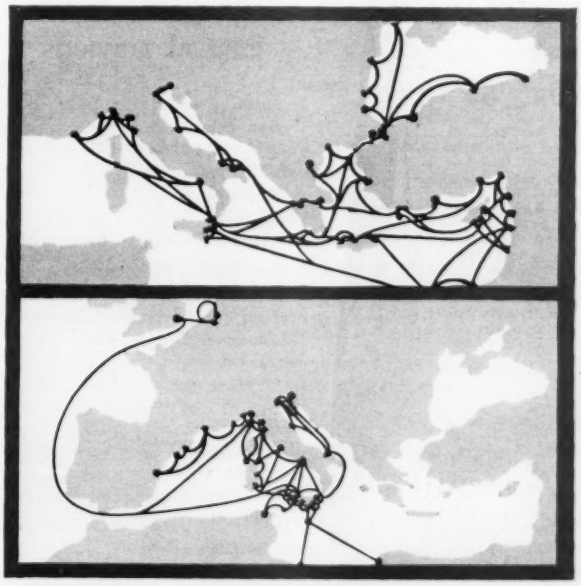
No matter where in the world you want to go

...plan your trip on a

Finmare Ship

A single booking by your travel agent can take you from Rio to the Red Sea, from Cannes to Calcutta on Finmare Group ships.

Avoid long layovers and uncertainty in connections! The four great Finmare Italian Lines link all parts of the world with vessels that are favored by experienced World Travelers . . . assure you famed continental service, excellent food, delightful surroundings.



Adriatica Line

From Italy to Egypt, Lebanon, Greece, Cyprus, Israel and Turkey

Tirrenia Line

From Italy to the Islands of the Mediterranean, North Africa, France, Spain and Northern Europe

For information see your Travel Agent or

Italian Line

Battery Park Bldg., 24 State St., New York 4—Tel.: Digby 4-0800

ins named President
achrachs and Company

achrachs and wing the last

ittle known to he most highly ile machinery in the South. the domination ge concerns in amiliar not only but in Europe

dominated textile machinery manufacturing in New England. Depression struck the textile machinery industry hard, but Evans streamlined the plant operations so effectively that the concern scraped through the worst years of the business lull with a creditable record. In making this record, Evans caught the eye of an investment syndicate which was quietly buying distressed plants during the depression. This group also obtained numerous European patent rights on textile machinery, and formed a new manufacturing concern to challenge the old line companies in a field where tradition is strong.

In 1906. In high st interfere with rize Scholarship y. At M.I.T. he chnical problems England. After went to work for e in textile mills.

Evans went with the new company in 1939 as Executive Vice-President, and was immediately faced with the gigantic task of converting to war production. For five years he shuttled between New York, Washington and the Tachrach plants, setting an energetic pace which is still talked about at the Pentagon.

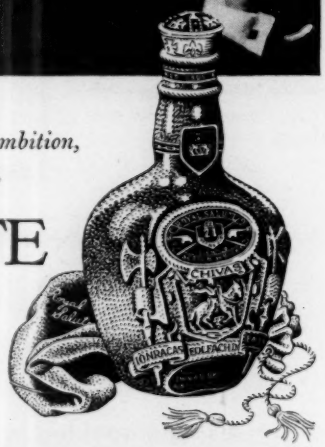
Evans lives in Connecticut, in a colonial house. Mrs. Evans has devoted her considerable artistic talents to the restoration of the house, which is now a show place. Their eldest son, graduated from Princeton two years ago and is now in the Marines. Another son,

THE HONORED OCCASION

When a business associate achieves his life's ambition, the commemorative gift should be outstanding.

ROYAL SALUTE

A Scotch whisky of rare age, in a ceramic commemoration flagon created by Royal Doulton *of England*



CHIVAS BROTHERS, LTD. Aberdeen, Scotland. Established 1801. By Appointment Purveyors of Provisions and Scotch Whisky to the late King George VI.

BLENDED SCOTCH WHISKY • 86 PROOF • CHIVAS BROTHERS IMPORT CORP., NEW YORK, N. Y.

How Barron's Helps You

BUILD INVESTMENT SUCCESS

17 Weeks' Trial . . . Only $5

If you want to build investment success, let Barron's bring you the facts that will help you separate good investments from bad investments—so that you will increase your investment income and build your capital.

In Barron's you are shown *what, where* and *why* the REAL VALUES are, behind current security prices. What's more, you are shown how these investment values are *changing*, week by week, as the result of current political and economic developments. Thus Barron's not only helps you pick good investments now, but also keeps you currently informed of *new trends* that could lead to investment opportunities or to investment pitfalls.

No other business or investment publication is like Barron's. It is *written for the man who makes up his own mind about his own money.* It is the only weekly affiliated with Dow Jones, and has full use of Dow Jones' vast, specialized information in serving you.

Barron's subscription price is $15 a year, but you can try it for 17 weeks for only $5. This trial subscription brings you:

Everything you need to know to help you handle your business and investment affairs with greater understanding and foresight . . . the *investment implications* of current political and economic events . . . the *perspective* you must have to anticipate trends and grasp profitable investment opportunities.

See for yourself how important Barron's can be to you in the eventful weeks ahead. Try it for 17 weeks for $5. Just tear out this ad and send it today with your check for $5; or tell us to bill you. Address: Barron's, 392 Newbury St., Boston 15, Mass. (USN–10-21)

BARTON *Flo-Lead* PENCIL

New sales tool* keeps your name in front of prospects

If building sales is your job, the Barton Flo-Lead Pencil will help you. As a permanent business card, a door opener, a reminder — it keeps selling for you after you've gone, builds good will, gets you "inside" faster on future calls.

The Barton Flo-Lead Pencil — with amazing fluid lead — was created for advertising use only. Point never breaks, stays sharpened. Exclusive Tip Guard protects shirt pocket. Four square inches of copy space for name, trade-mark or sales story. Choice of 13 colors. Priced in quantity under $1. Call your Shaw-Barton representative for details or write Dept. U-21.

**Not available at retail*

SHAW-BARTON

Calendar and Specialty Advertising

GENERAL OFFICES AND PLANT, COSHOCTON, OHIO
SALES OFFICES IN PRINCIPAL CITIES

We've Been Asked:

. . . Civil Service rules provide pensions for widows

ice-connected disabilities but died of other causes.

Is Congress considering higher pensions for survivors?

Yes. The House passed a bill last summer to revise the system of compensation for survivors of men who die in service or of service-connected causes. This measure, now before a Senate committee, would take into consideration a man's rank. For example, the childless widow of a major general or of a rear admiral would get $242 a month, while the widow of a private would receive $122, with higher payments for those with minor children.

What about widows of Government civilian workers?

They often receive payments if their husbands were under Civil Service. When a man covered by the Civil Service retirement system retires, he can choose to take a smaller monthly payment and set up an annuity for his wife after he dies.

How large are Civil Service payments?

That varies widely under formulas that take into consideration husbands' average salaries and length of service. Average monthly payment for surviving wives of Civil Service men who retired in recent years is from $65 to $67.50.

Do widows of deceased members of Congress get pensions, too?

Many of them do, but this pension program is entirely optional for members of the Senate and House. A Congressman can reduce his pension to provide an annuity for his widow.

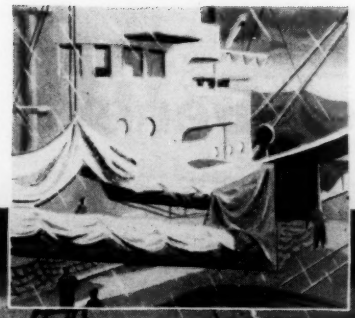
How much does a congressional widow receive?

That also depends on length of service and average salary. The widow of a Senator or Representative who was covered by the pension plan and served the minimum of six years gets $1,050 a year—about one half of her husband's normal pension. Other widows' amounts: 10 years, $1,750; 20 years, $3,750; 30 years, $5,250.

Employes of Congress also have a pension system under Civil Service management.

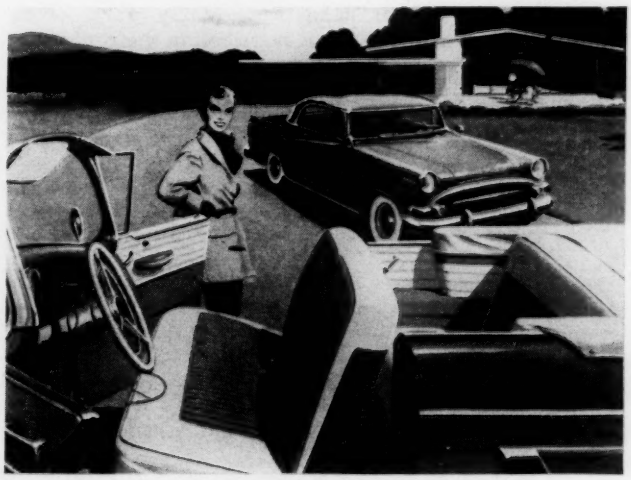
What about pensions for former Presidents and their widows?

They are proposed in a bill approved by the Senate last May and awaiting action by the House. Under this, former Presidents would receive $22,500 a year. Widows of Presidents would be entitled to annual payments of $10,000.



WELKOTE—Wellington Sears nylon backing fabric, when neoprene or vinyl-coated, combines light weight plus strength for a multitude of protective covering uses. Besides all-weather hatch tents for shiploading, these include playing field covers, machinery and freight tarpaulins, fumigation tents, etc.

Wellington Sears fabrics back up the versatility of these coated materials



For coated auto and furniture upholstery, luggage, handbags, wall coverings and many other end uses, Wellington Sears backing fabrics include cotton sheetings and drills, twills, sateens and ducks; spun rayon, "Welkote" filament nylon and other synthetics; "KnitKote" cotton knit fabric; "Lantuck" and "Lantuck-NR" (nylon-rayon) non-woven fabrics. All end-use "engineered."

American industry today is setting no limits to the possible uses of coated materials. And there's more to these materials than meets the eye. Beneath the colorful and serviceable surface, there is a backing fabric that provides the basic strength.

But there's still more to this "inside" story. Because of special problems of tear-strength, durability, flexing, weather resistance, tailoring qualities, adhesion and the like, this backing fabric must be carefully *engineered* for each type of application.

This is where Wellington Sears enters the picture. Nowhere else will you be able to match our many decades of experience with fabrics of this type. And nowhere else will you find such a complete range of different base fabrics for every conceivable plastic and rubber coating use.

Wellington Sears makes the backing fabric only—not the finished coated product. So, if you have a coating problem, let our experience go to work for you. Or if you have a use for finished coated materials, we'll be glad to put you in touch with a dependable coater.

Wellington Sears

A Subsidiary of West Point Manufacturing Company

FIRST in Fabrics For Industry

WELLINGTON SEARS COMPANY, 65 WORTH STREET, NEW YORK 13, N. Y.

Where U.S. Will Stand at Geneva

With President Eisenhower ill, Secretary of State John Foster Dulles now defines U. S. foreign policy. Mr. Dulles meets at Geneva October 27 with the Foreign Ministers of Soviet Russia, Great Britain and France.

This conference is to seek practical action on peace as proposed at the "summit" meeting in Geneva last July. Here, in Mr. Dulles's words, are the mainsprings of U. S. policy as it will unfold at Geneva.

Following are extracts from an address by Secretary of State John Foster Dulles before the convention of the American Legion in Miami, Oct. 10, 1955:

Today, it is Soviet policy to appear friendly and to mingle with all the world. Perhaps the Russians have a proverb like ours which says, "If you can't lick 'em, join 'em." However, the Russians, as "joiners," create new problems—for us and also for them. . . .

Soviet Communist doctrine has persistently taught retreat and zigzag as a tactic of conquest. So we cannot tell whether what is now going on marks a genuine change of purpose or whether it is merely a maneuver. We have to have plans that are responsive to either contingency. . . .

We have productivity. Our rate of productivity is the greatest in history, now estimated at nearly 400 billion dollars a year. The magnitude of that can be appreciated when it is noted that it is three times that of the Soviet Union with its much larger population. . . .

We have power. . . . We had to build hastily the military establishment we needed in World War I, and then we scrapped it. Then, with the coming of World War II, we built up what became the world's greatest military establishment, and again we scrapped it. Then, when the Korean war came we, had to build the third time. This time we do not propose to disarm ourselves unless we can be sure that others are doing the same.

We have principles. Our productivity and our power do not rattle haphazardly about the world. They are harnessed to basic moral principles. . . .

As an example of the principles to which we adhere, I cite the principle that military force should not be used aggressively to achieve national goals. . . .

Recently, we were gravely provoked by the Chinese Communists who retained and imprisoned 15 of our fliers in violation of the Korean Armistice Agreement. We had the power to take prompt and overwhelming reprisals. We did not do so. . . . Now all 15 are free and home.

We hope that the Chinese Communists will accept for themselves this "renunciation of force" principle. Until now, they have largely lived by the sword. . . . Perhaps they are now beginning to see that persistence in the use of force will surely bring disaster.

Another of the principles we apply is that productivity is not for purely selfish use. . . . During the last 10 years the Government has granted or loaned abroad approximately 40 billion dollars for economic purposes. . . .

In the same period approximately 12.5 billion dollars of private funds have flowed abroad to develop countries which welcome and provide opportunity for foreign capital.

We have partnership. . . . The ideal, of course, would be to have collective security on a universal basis. That is the design of the United Nations. But trust and confidence do not yet exist on a universal basis. So, many nations have created collective-security organizations of their own, as permitted by the United Nations Charter.

The United States now has partnership association for security with 44 nations. The result is to create a measure of security which no one, not even the strongest, could achieve on a purely national basis.

The Soviet rulers profess to regard these developments as dangerous. . . . But the Soviet rulers practice, for themselves, something very different from what they thus preach to others. . . . The Soviet bloc represents an amalgamation of about 900 million people, normally constituting more than 20 distinct national groups.

The United States does not believe in practicing neutrality Barring exceptional cases, neutrality today is an obsolete conception. It is like asking each community to forgo a police force and to leave it to each citizen to defend his own home with his own gun. . . .

We have peace. . . . Peace, at least the only kind of peace that is worth having, requires an intrepid spirit in defense of freedom and justice. Without that spirit, aggressors run rife until finally, in desperation, there is resistance and war.

But, lest what I say should be misunderstood or misrepresented in any quarter, in any way, for any reason, let me say what you all know: There is no nation in the world which is more utterly dedicated to peace than is our nation. . .

The recent liberation of Austria came about primarily because world opinion insistently demanded it as a step which represented elemental justice. In the same way, world opinion will act as a compulsion on the Soviet Union to relax its grip upon East Germany and to permit the unification of Germany. Also, I believe that world opinion will compel the restoration of national independence to the captive states of Eastern Europe. . . .

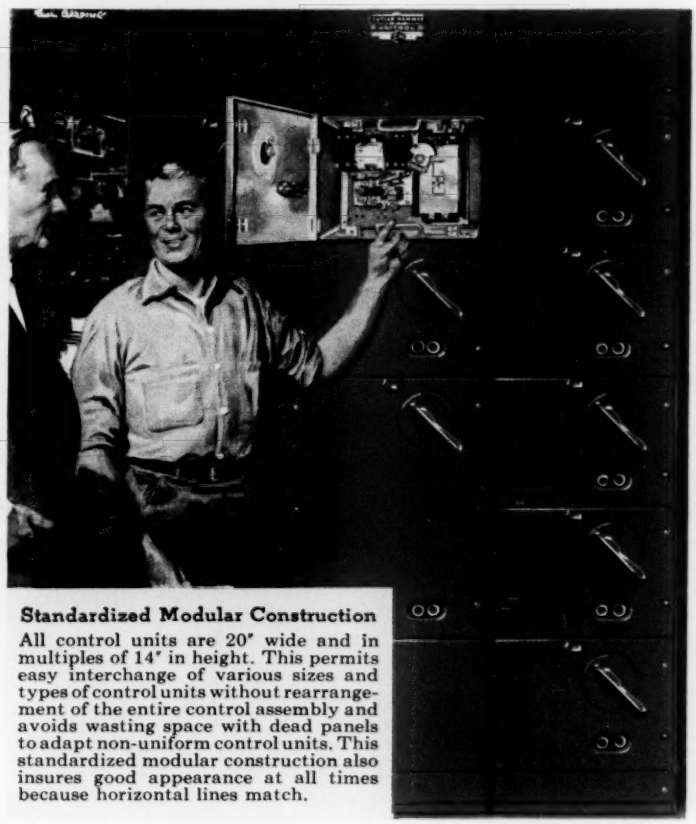
The United States has no desire and no mandate to run the world. Many things will go right without our help and many things will go wrong that we cannot help. We shall not always be able to save others from what we believe to be their mistakes, and we know that we shall at times commit what others believe to be our mistakes.

But one thing we can do. That is, be a nation which stands for what all men aspire. . . .

If in freedom we produce bounteously; if we have defensive power to deter aggression; if we use our military and economic power in accordance with high moral principles; if we extend the hand of fellowship to all who in sincerity would grasp it; and if we seek a peace which will eradicate injustice, then we can be confident of our future. In that way, the patriotism of the living can pay tribute to the patriotism of the dead.

WHAT'S NEW IN MOTOR CONTROL? ★ ★ ★ GET IT FIRST IN CUTLER-HAMMER

Now...the spectacular new Cutler-Hammer ★ ★ ★ Unitrol



Standardized Modular Construction

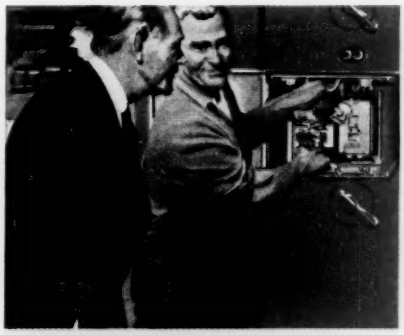
All control units are 20" wide and in multiples of 14" in height. This permits easy interchange of various sizes and types of control units without rearrangement of the entire control assembly and avoids wasting space with dead panels to adapt non-uniform control units. This standardized modular construction also insures good appearance at all times because horizontal lines match.

Star studded with features that provide fastest installation or rearrangement of motor control, maximum space economy, unparalleled motor control performance and new safety for men and equipment.

Fifteen years ago Cutler-Hammer Unitrol pioneered the idea of flexible control centers . . . the modern way to organize control equipment for better performance, greater safety, and quick rearrangement to meet industry's constantly changing control requirements. Few engineering advances ever received such enthusiastic acclaim or such rapid widespread use. Through the years there have been many imitations, but only *one* Unitrol.

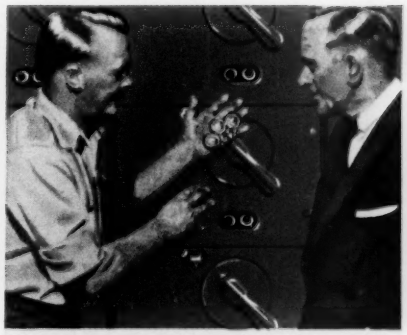
Today Cutler-Hammer engineering leadership opens another new era in flexible control centers with the great new Cutler-Hammer ★ ★ ★ Unitrol. Star studded with features that permit new speed in installation, new speed in any reorganization of the equipment, more control units in less space, new safety for men and equipment and new motor control performance that simply has no equal. Whether you desire truly modern control for just a few machines, a full department or an entire factory, be *sure* you have all the facts about the new Cutler-Hammer ★ ★ ★ Unitrol before you buy. Write or wire today . . . CUTLER-HAMMER, Inc., 1462 St. Paul Avenue, Milwaukee 1, Wisconsin.

CUTLER-HAMMER
★ ★ ★
UNITROL
C-H



Unitrol Uni-Plug Saves Time

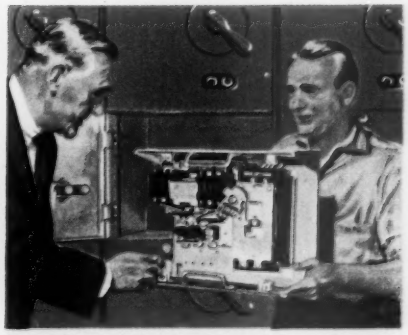
Uni-Plug automatically connects each control unit to its power supply when the unit slides into operating position. It also assures complete disconnect whenever the unit is pulled forward for inspection or attention. All units can be locked in "disconnect" position. Unitrol Uni-Plug thus saves wiring and rewiring time—and insures safety.



Self-Aligning Disconnect Operators

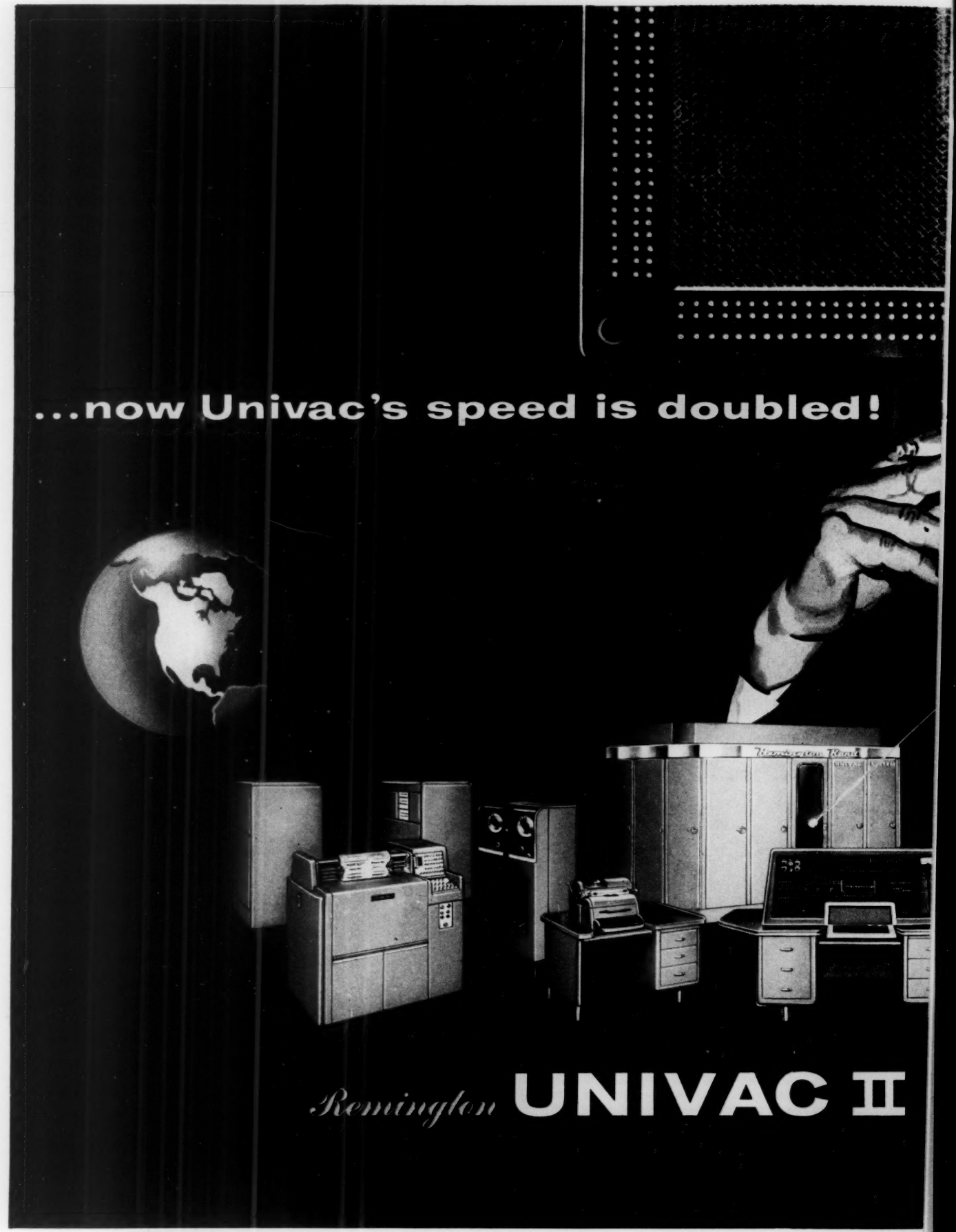
Unitrol control units can be equipped with either fused disconnect switches or circuit breakers. Both types have self-aligning three-position operators which are arranged for padlocking with as many as three locks in "off" position.

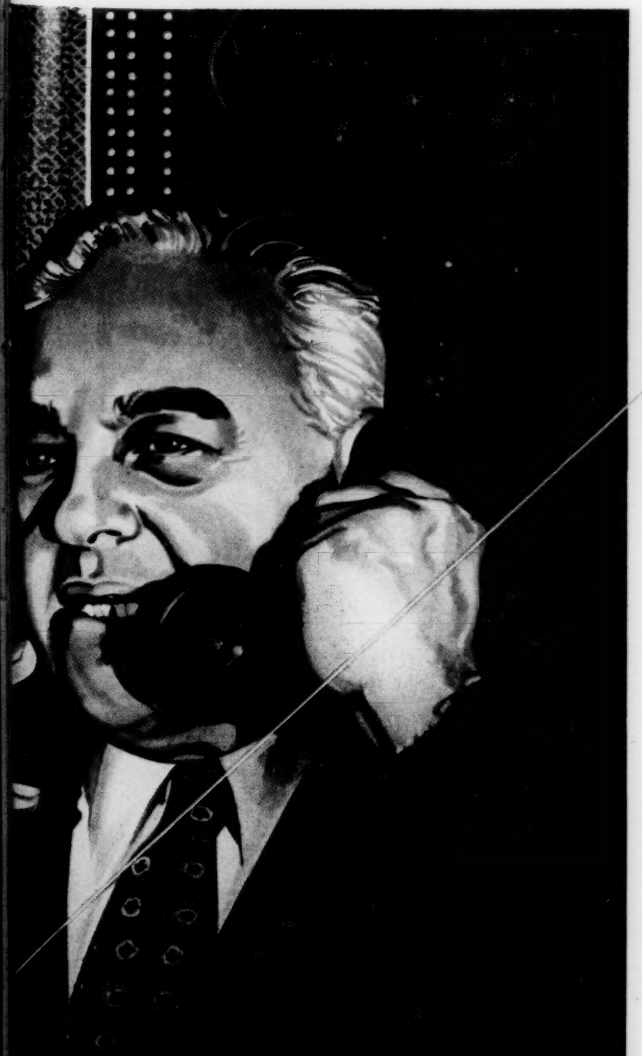
The name UNITROL is a Cutler-Hammer trade mark.

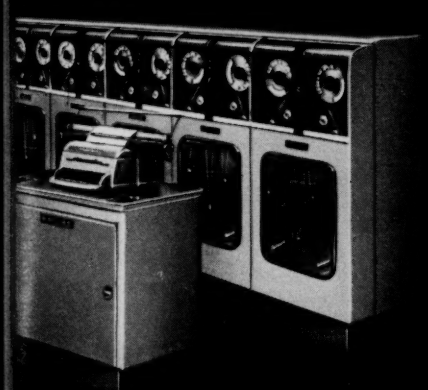


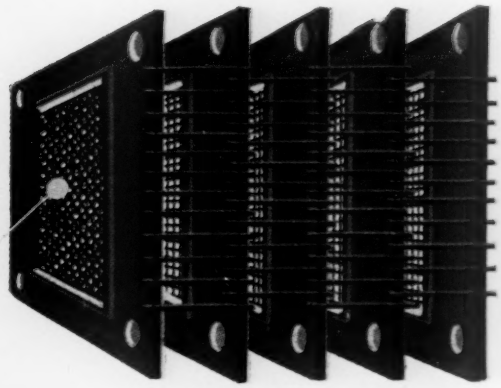
New C-H Three-Star Control Units

New Superlife Vertical Contacts end care and costs for all time in normal control uses. Adjustable Load Sensing Coils with 3% overload accuracy (compared to usual 12%) permits motors to work harder safely. Full 3-Phase Protection now costs as little as $6 (list price) additional per control unit. Compare this with the cost of just one motor burn-out.


...now Univac's speed is doubled!
Remington UNIVAC II







The famous Univac® of Remington Rand has widened even further its lead over other electronic business computing systems. Univac is still the *only* completely self-checked system . . . the only one which can read, write, and compute simultaneously without extra equipment. And now, the Univac II adds to these superior features the speed of a magnetic-core memory.

The Remington Rand magnetic-core memory is more than just a laboratory promise. It has been in actual customer use for over a year, passing all tests with flying colors in the first commercially available electronic computer to use core storage successfully.

The capacity of the internal memory of Univac has also been doubled, giving instantaneous access to 24,000 alphabetic or numeric characters. If needed, this can be further increased to 120,000 characters.

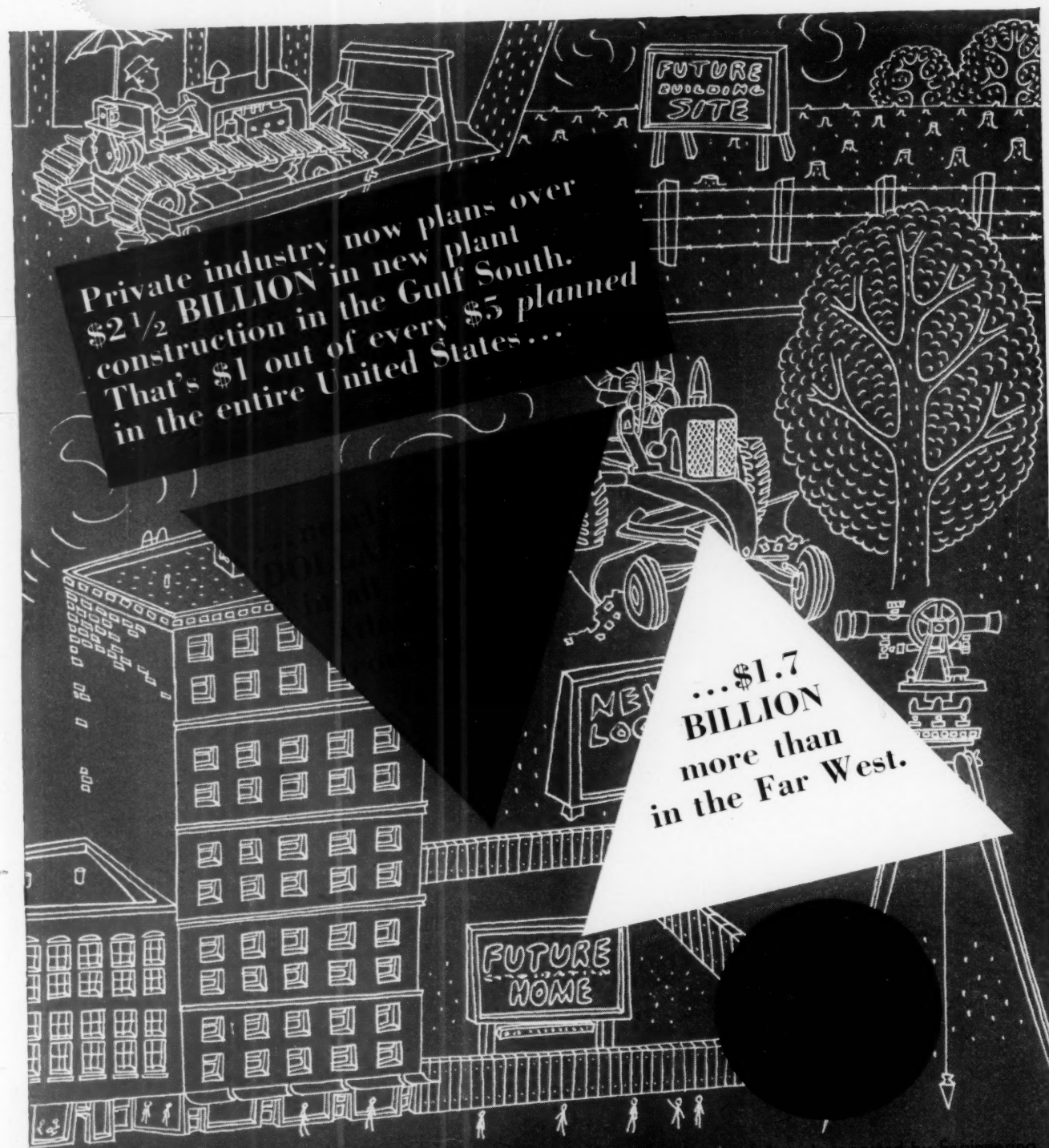
Univac's external memory—magnetic tape—now has greater capacity too, increasing input and output to 20,000 characters per second . . . the equivalent of reading or writing every character on this page more than 1,000 times a minute.

These new Remington Rand developments can be incorporated into any existing Univac installation to double its speed of operation and increase its economy still further.

Remington Rand

DIVISION OF SPERRY RAND CORPORATION

ROOM 2016, 315 FOURTH AVENUE, NEW YORK 10, NEW YORK


FUTURE BUILDING SITE
Private industry now plans over $2½ BILLION in new plant construction in the Gulf South. That's $1 out of every $5 planned in the entire United States...
...$1.7 BILLION more than in the Far West.
FUTURE HOME

Source: Proposed industrial construction as of June 1, reported by Engineering News-Record. Address inquiries to United Gas, Shreveport, Louisiana.

SILVER ANNIVERSARY

25 YEARS

SERVING THE

UNITED GAS

Gulf South

UNITED GAS CORPORATION • UNITED GAS PIPE LINE COMPANY • UNION PRODUCING COMPANY

PLUS & MINUS
Latest Indicators of Business Activity

Business activity is at a record high and still climbing, unchecked by the tightness of short-term credit and a further drop in home building.

Retail-store sales rose to a rate of almost 190 billions per year in September, up 1 per cent from August and 11 per cent above a year ago. It was the seventh straight monthly gain.

Strength was greatest in the automotive group of stores, where sales were 30 per cent above a year ago. Next were gains of 16 per cent for furniture and appliance stores and 10 for building-materials dealers. Also strong were food sales, up 9 per cent; gasoline, drug and restaurant sales, up 8 per cent each.

Main spur to sales, as the top chart shows, has been the steep rise in personal incomes. Incomes, after taxes, are up 36 per cent from the first quarter of 1950. Sales have mounted 39 per cent during the same period.

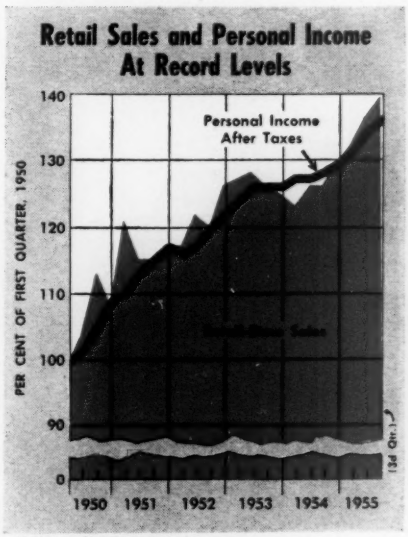
Weekly earnings in manufacturing averaged $77.90 per worker in September, a record high. The figure was $1.57 above August, $6.04 more than a year ago.

Overtime work is greater, more widespread, than in the summer of 1953, before the 1953-54 recession. Manufacturing workers averaged 41 hours per week in September, up 1.3 from a year ago.

Ordering of goods by retailers has quickened. The August rise in orders by department stores was larger than normal for the month.

Retail inventories increased to 23.2 billions on September 1 and were 5 per cent above a year ago. Despite the rise, stocks were equal to only 1.5 months' sales, compared with 1.6 a year ago. Stocks of home furnishings were equal to 2.2 months' sales, against 2.6 last year.

Industrial production continues heavy. Factory output stood at 143 on the indicator in the latest week, a record high. Activity has risen since August in steel, electrical machinery, building materials, apparel, paper.



© 1955, By U. S. News Pub. Corp.
Source: Through 2d Q., 1955, Commerce Dept.; 3d Q., 1955, USN&WR estimate

Steel mills scheduled a record tonnage in the week ended October 15.

Carloadings are almost 15 per cent above a year ago.

Home building slid to a rate of 1,230,000 per year in September, down from 1,304,000 in August and the second lowest this year. Appraisal requests filed with the Veterans' Administration in September fell to 45,063, lowest since December and below a year ago. Residential contract awards also were below last year.

Crosscurrents have the financial markets in a swirl.

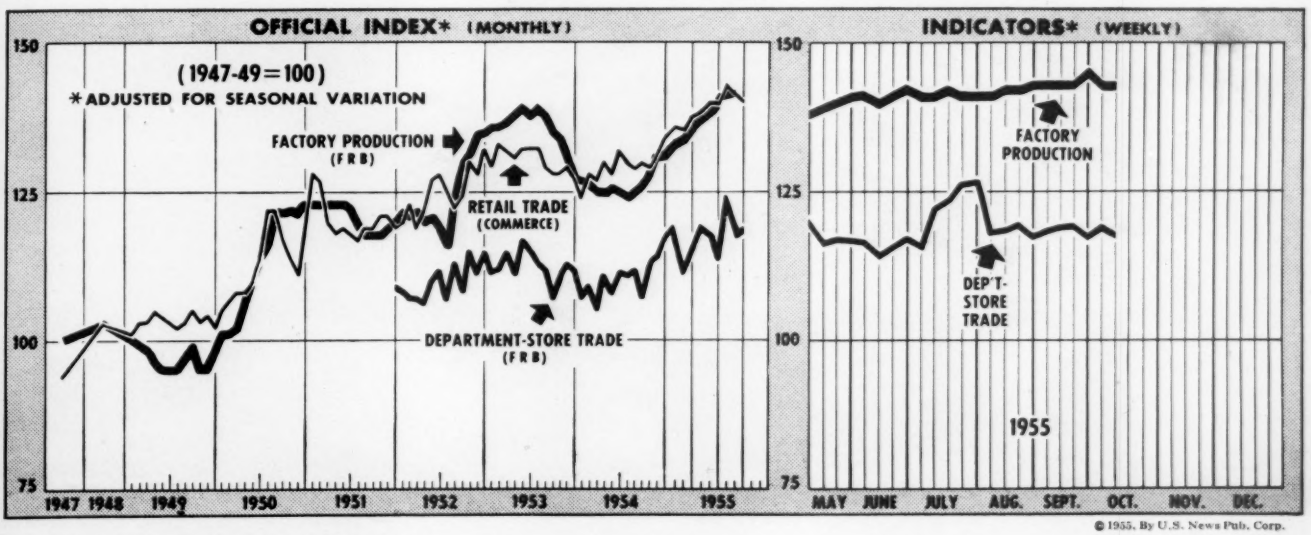
Stocks had another sinking spell in the week ended October 12. Industrials fell to 10 per cent below their September peak before rallying.

Interest rates are rising on short-term loans, but bond yields are gradually falling. Latest issue of Treasury bills was sold to yield 2.25 per cent, highest since June, 1953. Interest rates charged by New York City banks on short-term loans to business have reached a postwar high. On the other hand, Treasury bond prices have been rising, yields falling.

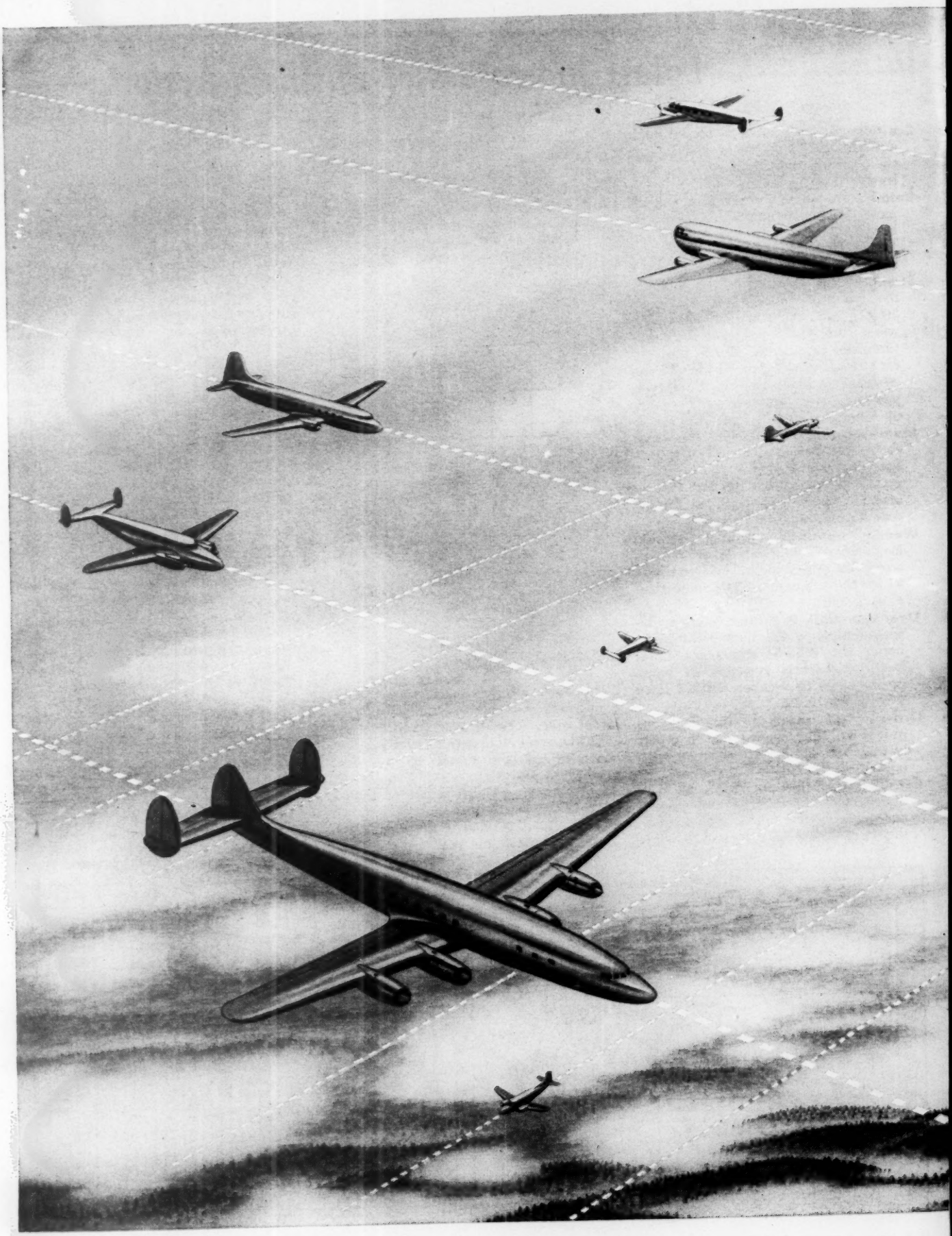
Bond buyers evidently look forward to an easing of money rates, a better balance between the demand for credit and the supply of it. Credit demand may shrink if fewer homes and autos are sold next year, if securities loans are paid off. Credit supply will increase if the Government softens its tighter-money policy.

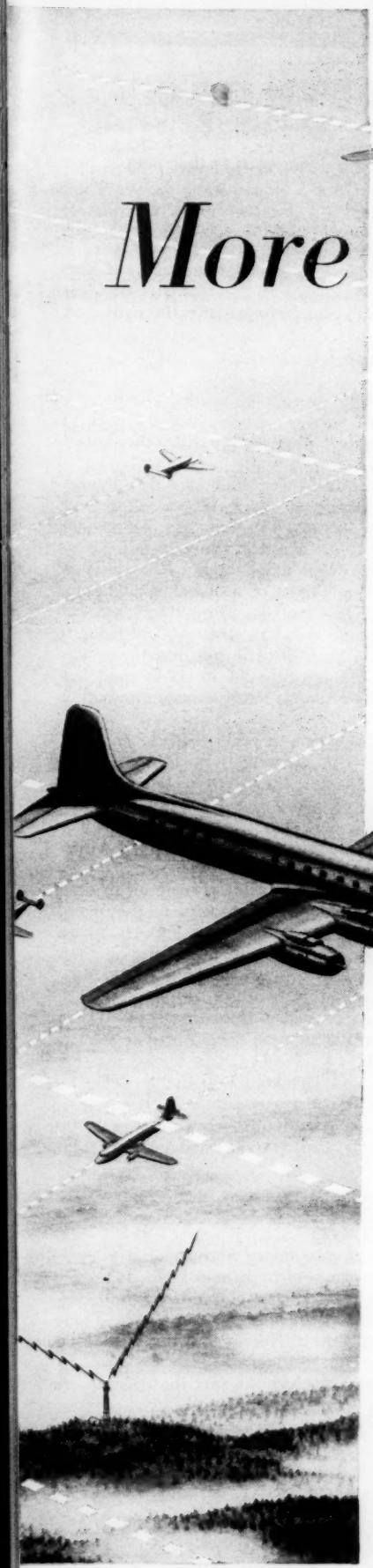
Inflationary pressure has eased in markets for industrial raw materials. Prices of rubber, copper scrap, wool and tin have come down in recent weeks. But prices are still rising on a wide variety of manufactured products.

Forces now lifting business activity include a rise in retail trade, active inventory buying and larger business spending for plant and equipment. These forces will continue strong at least through this year.



© 1955, By U.S. News Pub. Corp.





More room in the sky

...through

TACAN

revolutionary IT&T development

...providing multiple airlanes instead of one!

This remarkable system can virtually make the sky as much as "ten times wider."

Now *parallel* all-weather airlanes can be marked off in the sky by electronic means...airlanes that lie side by side, only a few miles apart, yet never meet. This can now be accomplished through a computer which derives its information from a single airborne "package" that measures the distance to a known ground station and determines bearing with pinpoint accuracy.

Thus, in heavily-traveled areas, multiple and accurate routes can be provided for aircraft to fly safely and efficiently, maintaining heavy traffic schedules in adverse weather.

TACAN is the result of a series of development programs sponsored by the U. S. Navy and the U. S. Air Force at Federal Telecommunication Laboratories, a division of IT&T. Federal Telephone and Radio Company, division of IT&T which now manufactures the military version of TACAN, will also manufacture and market the commercial aircraft and private flier versions of the equipment.

IT&T

INTERNATIONAL TELEPHONE AND TELEGRAPH CORPORATION

67 Broad Street, New York 4, N. Y.

A LOOK BEHIND THE RUSSIAN SMILES

Interview with Robert Kennedy, counsel for Senate Subcommittee

[continued from page 67]

A They let you see quite a bit, but, on those things that are touchy, they won't let you see them and they won't give you any information about them.

Q You weren't trying to see anything military, anyway, were you?

A No. We were interested in the coal mines. Justice Douglas was particularly interested—he had been up to Bethlehem, Pa., and had inspected the steel plant and had gone through some of the coal mines around there, and he wanted to go into Karaganda and make a sort of comparative study. It is one of the areas in Central Asia that has industry like Bethlehem, and it would have been an interesting study.

Q Do they maintain any troops in that area?

A In every city that we went to they do have troops—it's one of the things that strike you. One of the other things which were of interest to me was the fact that there were so many troops doing manual labor, which is something you don't see in this country.

Q Were they in uniform?

A Yes. A great controversy was raised about Korea a number of years ago—about using our troops for labor purposes, but these men in Russia are put to laying the pipes in the streets, putting up buildings, laying bricks. We saw it in Frunze, Tashkent and other cities. They do the majority of the work in the oil fields around Baku.

Q Do they get paid extra for that?

A No. It is one of the things that bear on this question recently in the news about letting 600,000 soldiers out of the Red Army. They might take their uniforms off and have them continue at the same job. Of course, Baku is their oil center, and they had soldiers driving all the trucks. There were hardly any other workers there, other than uniformed men. Even in Siberia, they had soldiers erecting the administration building at the airport.

Q In the towns, where the soldiers were lounging around, did they have their guns with them?

A Yes, often.

Q How do they understand the language?

A I don't think they have any problem with that—in performing their duties they probably don't have much contact with the local people. In addition, more and more people now understand Russian. This is so despite the fact that the Russians maintain one set of schools for their children and one set of schools for the children of the local people. It is a segregated school system.

Q Why is that?

A The explanation the officials gave us is that people like their own schools.

Q It isn't a racial question?

A I believe that is a reasonable assumption. In every city that we visited in Central Asia the schools were segregated—the Russian school children in one school, the local children in another.

Q Is there a difference in color between the Russians and the natives?

A Oh, yes, they are completely different.

Q I mean in color.

A Oh, yes. The Russians are European, white. The natives are Mongolian—a dark race.

Q What about the religion? You said earlier the entire region is Moslem—

A Well, in Bukhara, which once was the center of religious fanaticism, even probably more so than Mecca, they had 300 mosques and religious schools 35 years ago. Now they have one mosque, and that looks like it is about to fall down, and one school there where they teach about 100 students and which has to serve the whole of Central Asia. They don't have a mosque in Krasnovodsk. They don't have a mosque in Ashkhabad. Krasnovodsk has about 100,000 population and Ashkhabad over 200,000. The mosque there was partially damaged during an earthquake in 1948 and has never been rebuilt. And they have no mosque in Stalinabad, a city of about 300,000.

So it is rather difficult for them to practice their religion, particularly in the face of the outspoken hostility of their Government. Communism teaches there is no God and that religion is for backward people, and Russia obviously wants no backward people.

Q You had no means of telling whether they had fallen away?

A No. In Bukhara we went to a Moslem service on Friday, and there were only about 20 people in attendance—they were all old men. However, you hear conflicting reports as to whether people are more or less active in their religion than they were a few years ago. There is no doubt that the Russians have tried to destroy the people's religious belief. Whether they have been successful is difficult to tell. There are a great number of Baptists in that area, surprisingly.

Q Russians or Orientals?

A Russians. The minister in Tashkent said that in 1952 he had a congregation of 700 Baptists, and now he has a congregation of 2,000. When we attended, there were over 1,000 people there, and there was also a good-sized congregation in Frunze.

RISE IN CHURCHGOING—

Q Was that the result of missionary activity?

A It might be. The newspapers in Russia keep deploring the fact that more people are going to church and that even Communist Party members are now going to church. There might be some significance to that. However, I don't feel that I am qualified to say.

Q You say the newspapers deplore the fact that people are going to church?

A Yes. There was a letter in a paper in Moscow from a woman who said she was a party member and that her fiancé wanted to get married in the church, and would that be proper, and the answer was that it certainly would be

completely improper. The Communist Party is against any church services, and there are letters in the papers deploring the fact that more people are going to church and that even Communist Party members are going to church. So evidently there is some sort of religious revival going on inside of Russia, but it is difficult for somebody who doesn't speak the language to get the facts on it.

Q Were there any Catholic services, or Russian Orthodox?

A There are Russian Orthodox services. There are a number of their churches in Central Asia—not in all the cities but in some of them. And, again, the ones we went to, there were older people, mostly women, attending the service with only a small percentage of younger people. However, in contrast, at Baptist services there were a great number of young people and a great number of men.

I might add that the Communists have allowed only a few churches of any denomination—Jewish, Moslem or Catholic—to remain open. Most churches in the Soviet Union have been turned into museums or stores and their contents—chalices, etc.—placed on exhibition.

Speaking of this religious question, in Leningrad they have a museum which is devoted completely to ridiculing God and people's religious beliefs. For instance, as you enter they have God sitting on top of the cross, wearing a top hat, smoking a cigar and portrayed as a capitalist while a working man is bent over carrying the Cross and Him.

SHOW PLACE FOR ASIA—

Q Did you get the impression that the standard of living in Central Asia had risen or fallen?

A I would say it had risen. I think one of the reasons that area is so important is that it is going to be an area in which the Russians are going to bring in the people of Asia and the people of the Middle East, and say, for example, "Now you know the condition in Iran. There you have absentee landlordship, large estates and extremely poor villages. Here in Central Asia there is no starvation and the people's standard of living is improving each year. Our people are living better and better. That's what you can do under Communism."

I think this is going to be a tremendous problem. Chester Wilmott [British newspaper and radio correspondent, author of "The Struggle for Europe"] said in his book in 1952 that the future of the world might well be decided in Central Asia. One of the main reasons for that is that the countries of the Middle East and Asia will be influenced by the success, or lack of it, of Communism in the republics of Central Asia. Even now it might well be an impressive sight for people coming into this area unless, of course, they consider the human sacrifices that were made and are being made to achieve some of these gains—the possible liquidation of 1 million people in Kazakhstan alone, for instance.

Q You spent six weeks, most of it in that area?

A Yes.

Q Did you ever get a chance to talk to anyone alone, or was your guide always there?

A He was always there. We didn't speak Russian or the local language, either one of us.

Q They wouldn't let you bring in your own interpreter?

A No, we tried to, but the Russian Embassy in Washington wouldn't even answer our letters of request.

Q How do you know this fellow interpreted correctly?

A We know on occasion he did not. But that is one of those things. I think we got a great deal out of the trip, and we went in with the understanding that that was how it would be.

Q Did you talk with the MVD people, the secret police?

A We did. We saw the heads of the MVD in Alma-Ata, the capital of Kazakhstan. It was the first time the MVD has ever given an interview to people of a foreign country. Among the matters we discussed was wire tapping.

Q Did they tap wires?

A They said that they didn't. They said that they frowned upon that "disgraceful" practice, that they never touch mail, either; that it was most despicable for anyone to do that sort of thing.

They told us they have about 250 different headquarters in Kazakhstan alone. In addition to their own people, they control the police as well as the fire department.

We asked them specifically about the mass movement of individuals from one area to another by the MVD. They denied to us that they had this power in transporting individuals, although it is specifically set forth in their by-laws and we know of examples where it has happened. In fact, when we were in Siberia we saw some of the people who had been so moved and took some pictures of them.

Q When you say that they don't tap wires or put in dictaphones, did you hear in Moscow about what Chancellor Adenauer of Germany had complained about?

A I understand that his companions found so many dictaphones in all their hotel rooms that they refused to stay in the accommodations prepared for them and ended up sleeping in a railroad car in the station.

Q Did you hear anybody in the embassies complaining about wire tapping?

A I've heard it a great deal.

Q Even before you left this country?

A Yes, and I think undoubtedly the wires in all the rooms we stayed in were tapped. After conversations we had, we would find results of things we had said in our rooms.

Q To each other?

A Yes, and that would lead us to the unmistakable conclusion that our rooms had taps in them—in fact, we had conversations for that purpose alone, because we wanted to put over a particular idea and it worked out that way.

Q What else did the MVD people tell you?

A Well, we were interested, of course, in the transportation of people.

ROLE OF SECRET POLICE—

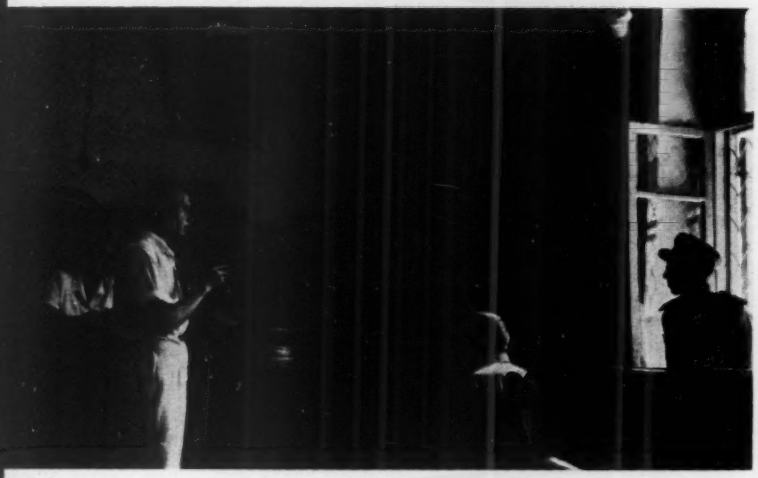
Q You saw these MVD people in different places?

A Yes, the uniformed ones we saw in every city we went to. We asked the MVD officials if their people were all in uniform, and they said, "Yes." After pursuing it, they said, "On certain jobs we take them out of uniform, but they are in uniform most of the time." And actually we know that a large percentage of the MVD are secret police who wear no uniform. We asked them if they operated outside the Soviet Union, and they said, "No." And then we asked if there was any security organization operating outside the Soviet Union, and they said, "No."

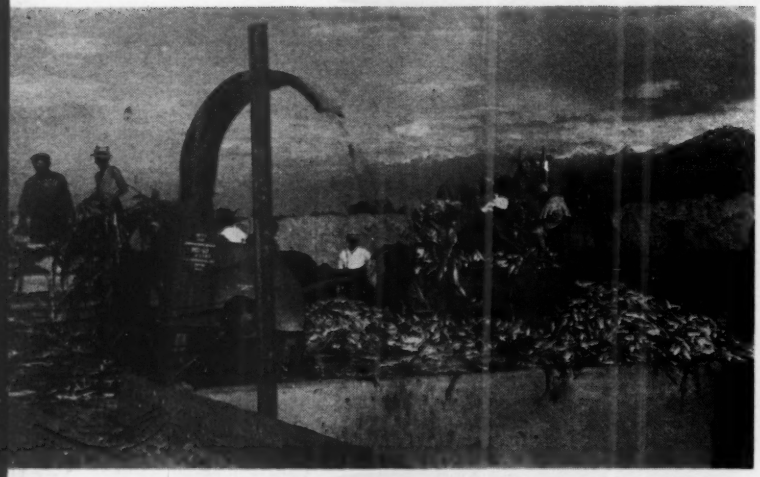
Then we said there must be something that they do outside the Soviet Union, and they said, "Well, there might be, but we don't know anything about it." Petrov's story as it

(Continued on next page)

CHURCH: Choir sings at Baptist service



COURT: All three judges are women



COLLECTIVE FARM: Pit in foreground is for storage

appeared in *U. S. News & World Report* several weeks ago [issue of Sept. 30, 1955] makes that answer untruthful.

They explained that they had control of the prisons in the Soviet Union. We asked if they had any labor in the prisons who did work on buildings or did work on roads, and they said, "Yes, and the parents and wives of these prisoners write in and thank us. They think it is wonderful because a lot of these people never did any work before in their lives, and we put them to work."

Q Did you talk to these MVD people in many places?

A Just at Alma-Ata. We asked about how many prisoners were doing prison work, and they said they had jurisdiction only in Kazakhstan so they wouldn't know. And we asked them how many were doing work in Kazakhstan, and they said that they didn't have those figures at hand. Of course, Karaganda, which I told you about earlier, is in Kazakhstan and is one of the great slave-labor camps in the Soviet Union.

Q You said some of the party officials were a little unpleasant at times—in what way?

A It was their mannerisms and their refusal on occasion to give us honest and correct information, rather than being outwardly rude.

Q They were abrupt?

A Yes, sometimes. We were always extremely interested in the collectivization problem and the local people's opposition to it, and that conversation always ended on a rather ruffled tone.

Q When you asked about the Kazakhs?

A Yes, but also about the other peoples of Central Asia. In each area, we tried to find out about what problems the Government faced during this period when individual ownership was being abolished.

HUMAN COST OF "PROGRESS"—

Q Why were you interested in that particularly?

A There was the serious allegation that there had been so much opposition to collectivization and that the Russians had taken stringent measures to crush the local people's resistance, that we wanted to find out the facts. You can go into this area as a visitor like Nehru [India's Prime Minister] and the degree to which it has been built up is impressive, from a materialistic point of view. But I think also the price that was paid in human beings in order to make this change and, too, that the people have such a difficult life even now should be considered.

Sections of population were banished or liquidated to achieve the domination of the state. The breaking down of family life is effectively carried out by mothers working for the state and depositing their babies progressively in state nurseries, later into Pioneer camps, and, ultimately, in the Young Communist League. During this most important formative period the children and the young people are being thoroughly indoctrinated that their first love should be the state, not God, their parents or their family.

Q How young do they take the children?

A In the nurseries they take them at the age of 2 months. They are not supposed to take them until they are 7 years old in the Pioneer camps, but at the one we went to we saw children of 3 or 4 years of age. The woman in charge explained that these children were just visiting for the day, when we inquired, but then, when the rest of the children sang songs, these younger ones knew all the words.

Incidentally, one of the songs they sang was about the French dock workers' not wanting to fight against the dock

workers of the Soviet Union—and all this starting at the age of 3 or 4.

Q These nurseries—do the little ones stay there all the time? Do they go home at night?

A Yes, I imagine so. However, we were there at 6:30 at night and, out of a group of 110 children in this particular nursery, there were about 60 left, the oldest being 3. The parents aren't going to see a great deal of them at that rate.

Q And then they go in the morning early?

A Yes, and they provide a little room where, if you are nursing your child, you can come in and nurse the child and then go back to the factory.

Q Going back to the houses, the Russians usually have pictures in their houses—are there pictures of Stalin?

A In the administration building of the farms they always had pictures of Lenin and Stalin and sometimes of other Communist leaders such as Molotov, and occasionally we saw Mao Tse-tung's picture. However, they have Lenin and Stalin everywhere, until it comes out of your ears. On the floors of every hotel, in the streets, they have statues and pictures—every place you go.

While in Russia we inquired into the question of academic freedom and the right of the citizen or the press to criticize the Government. We talked to judges, professors and presidents of the universities, and they said there wasn't any opposition because what the Government did was always right. All the people of Russia realized this and realized that if they opposed the Government they would be wrong, and so, therefore, no one did. What the Government did was absolutely correct, they said, so why would anybody oppose it?

Q Did you find in the cities that there were sections with office buildings, or were they small business sections and the rest all rural in appearance, in these cities of 800,000?

A The business and living quarters are interspersed in the cities. Tashkent is a city of 800,000, and there it's a 25-year plan that they have—in which time they are going to try to modernize the city. They gave us a figure that 50 per cent of the city is still the old city. It looked like probably even more than that, but there are some very beautiful parks and very beautiful trees.

A FORM OF SLAVERY? YES—

Q You mentioned the question of slavery—do you think their whole system really is a form of slavery? What is the broad impression you took away?

A I believe it is. Communism retains its basic evils whether it is the Khrushchev type or the more oppressive Stalin type. Recently the new rulers have made certain concessions in the Soviet Union to the people—for instance, they allow them now to go into Red Square, they allow them to visit the Kremlin. The farmer is permitted to plant more things that he wants to on his own private lot—they have made certain concessions. But the main things about controlling Government still exist in the hands of the Presidium.

They haven't relinquished any of the real power, and the ordinary citizen feels the full extent of it—even to where a factory or farm worker cannot leave his job without permission of his superior—in other words, the state.

They still have on the books that idea that the MVD through the Department of Interior can try somebody with a secret trial and send him off to prison and extend the sentence when he is in prison. You have intense concentration on labor—that everybody must work for the state, the women must work—so therefore the family unit, which I think our society

(Continued on next page)

TRANSPORT: Farmers ride camels near Ashkhabad

FARMERS: They work on a state farm near Frunze

—All photos taken by Robert F. Kennedy

BARGAINING: A market scene in Tashkent

. . . "I don't think U. S. should make all those concessions"

is built on, is all broken down. You are working for the state—that's the important thing, it's not your mother or your father or your family, it's the state—the state has become god in Russia.

Q But people coming back from Russia are all singing hymns of praises—Senators, Congressmen saying they found it much better than they expected, and Russia they thought was fine, the people are getting along all right, and so on. Did you come back with that highly favorable idea?

A No, I think you can tell that I didn't like what I saw.

Q Why did they get that reaction—why did it seem that way to them?

A That I don't know.

I think it is difficult to go into just a city like Moscow and Leningrad and come out with an impression of a country, any more than if you just came to New York and Washington. But I think, however, it is the easiest thing in the world for the Russians to say now that they want peace, and that they are going to cut down their Army by 600,000. However, there is still no inspection.

I don't see that they have made any move that anybody can check on. As I say, these small concessions they make to their own people are concessions that will mean nothing to the Government and the Government's control of the people. They are just irritants on the people anyway—they are not conceding anything.

In return for their allowing some Senators and some of the rest of us into the Soviet Union, there is talk in our country, as well as a lot of countries in Europe, of cutting down our defense commitments. I haven't kept up with the papers here—I haven't had a chance to read them—but I see we are talking about sending over more technical magazines, allowing more technical magazines to go out. We are talking about allowing more trade in strategic goods. In 1954, after the meeting in Paris, we cut the list [of prohibited exports to Russia] by 50 per cent and are now talking about cutting it even more. The agricultural delegation unquestionably made a tremendous contribution to Soviet agriculture.

INEFFICIENCY ON FARMS—

Q Which delegation?

A Our group that went there, and their group that came here. We are so far more efficient—in the Soviet Union the average farm worker can handle four hectares of farm land, which is about 10 acres. In this country our farmers can individually handle 20 hectares, which is about 50 acres. We are that much more efficient.

We visited one of the best cotton farms, outside of Tashkent, which is the center of their cotton production and where their production per acre is about as good as we have in this country. It is very productive and they have done a good job. But each worker would handle maybe 1 hectare or 1¼ hectares of cotton—about 3 or 4 acres. In this country a worker will handle between 8 and 10 hectares of cotton—about 25 acres of cotton—on the average cotton farm. On farms in Iowa, one worker handles about 55 hectares of corn, about 135 acres.

In the Soviet Union, on an extremely good farm that we visited, each worker was handling between 3 and 4 hectares—about 10 acres of corn. It is the same with wheat. The average worker handles 70 hectares of wheat in Nebraska, or about 175 acres, while on these good farms we visited in the Soviet Union they were handling about 40 acres of wheat.

They have a labor shortage in the Soviet Union, and getting these people off these farms on to the new lands and putting them back into factories is a tremendous contribution to the Soviet economy—which, of course, is a war economy.

Q They say they are going to be our brothers—

A That's fine. All I say is—and I'm all in favor of that, I think it's terrific, and I think we should have more trade and all of that—but all I say is: Before we do all those things let's get a *quid pro quo* on it. Just on the basis of a smile, I don't think we should make all those concessions. They have a system of government which is entirely different from ours, which is based on the rights and dignity of the individual. I am not saying they aren't entitled to theirs, but they just don't believe in the same sort of things we do.

Take the labor unions. Their idea of a labor union's duties is to make sure that the sanitary conditions are properly maintained in the factories.

Q Did you inquire about it?

A Yes. We asked what would happen if they felt the members of their union were not getting paid enough. They said, "Oh, that's impossible, because the state decides how much a worker is going to get paid, and they believe in the worker."

HOW "LIBERALS" STAND—

Q How do you account for the fact that so many people in America who call themselves "liberals" are so enthusiastic about Russian things and want us to recognize them and play ball with them? Why, if all this ideological thing is contrary to true liberalism, why is there such a sympathy for them?

A I think the same groups have made mistakes before.

Q It seems to me everything you have said would be anathema to any real "liberal"—

A That is what I can't understand either.

Q Take Justice Douglas—were his views and yours the same?

A I have the greatest admiration for Justice Douglas—I would not presume to speak for him.

Q Did they make a great many concessions to you over there?

A Some concessions, at least over the old policies—the fact that we are allowed to travel in Central Asia at all, and, in addition, I think they showed us things and allowed us to do things they wouldn't have permitted a year ago, but I don't think it adds up to a great deal.

Since they have changed their policy nobody has gained but them. The fact that Justice Douglas, five Senators and Bob Kennedy were able to go to Russia—what is that for America to get out of it?

For instance, you've got a Government in Burma which is trying to exist, and we might disagree with some parts of it, but it's a democratic Government that is trying to exist. And you've got a Cominform that is trying to destroy it.

Why don't they announce they are going to withdraw support from Communist organizations in India, Burma or Malaya, or even Italy, or France or this country? Why don't they actually come through and withdraw support and stop supplying money to their forces within the countries that are trying to overthrow the local governments?

(Continued on page 142)

GOING PLACES *on the sands of time with Cities Service...*

Prehistoric monsters left no stranger trail than these geologists surveying tidal Gulf Coast sands in the search for new reserves of oil.

CITIES SERVICE

A Growth Company

Number 17 of a series

. . . "We have contributed to Russia's military strength"

How about withdrawing their troops from Poland or Eastern Europe, allowing the unification of Germany, or giving their independence back to the people of Estonia, Latvia and Lithuania?

Let's have something like that. Or let's allow complete arms inspection. I think they should make some definite contribution other than tipping their hat and smiling.

Q Were you impressed by the strength of Russia?

A Of course, they have terrific numbers and the whole state is controlled by five or six people that can decide the future overnight or in a minute, and that gives them power.

Q Other visitors come back and say they get a feeling of power or strength in Russia—

A I don't know what they mean by that. I think the Russians unquestionably have a strong Army. They have sacrificed a lot in order to build their military forces, their tanks and planes. However, we have contributed to their military strength in the past. We went through the steel plant in Novosibirsk, and most of the machinery in the plant was British and American. They were making boring machines and presses. It is now a question whether through relaxing our law requiring a list of strategic goods we will help them again.

Q Was what you saw Lend-Lease stuff?

A No, they were mostly sold to the Russians during the 1930s. As another example, it was an American engineer, as I understand it, who built the Dnieper Dam. Maybe we are going to go through all that again and maybe overnight they are going to decide they don't like us any more—and then where are we? We all want peaceful coexistence, but if we militarily weaken ourselves and strengthen them during this period, in a short time we will have neither peace nor coexistence.

Q What impression did you get in Moscow when you were there? Is there about to be any election campaign over there?

A No, they are not out campaigning. Of course, you read in books about the press being controlled and thought being controlled. But it really shocked me, talking to heads of universities and having them tell us that there is no reason to have debates in schools about Government policies, i.e., whether it is good for the Russians to be in the United Nations or whether they did well in Geneva, or anything like that, because what the Government says is right—and there will not be any opposition to what is right—only unanimity, which is what they said they have in Russia.

Q Is it a military system, essentially?

A Yes.

Q They're strong for harmony?

A Yes, and they don't have students who believe in God, because religion, as a university president told us, is for backward people, and students shouldn't be backward.

HATRED FOR RUSSIANS—

Q Do you have a feeling that, if you walked in with your own interpreter, people whom you met in Central Asia might talk if they were sure they could talk freely?

A Yes. The basis for my thinking is that the area was intensely religious 30 years ago, and the Russians have undoubtedly incurred deep hatred from the local people for their attempt to destroy their religious feelings, as well as for the suffering that they have caused in imposing their system on the local inhabitants.

Q Did you have conversations with many people?

A We spoke to people on farms, in factories, we had several street conferences, we spoke to teachers and judges. We attended a lot of trials—we were both interested in court procedure.

Q How are the trials?

A It is an entirely different system, of course, than we have. There is no jury, for one thing. It is a far looser system. There are no rules of evidence as we know them.

Q A man is guilty until he is proved innocent?

A I don't know; but three people sit in judgment on the average case. I think they try to do what is right. Admittedly, it is a very loose procedure. There doesn't seem to be any rule prohibiting the admission of hearsay evidence, for instance. The three judges—the chief judge being a lawyer and the other two may or may not be—just try to make a determination of what is right and what is wrong based on all the facts that are presented to them.

If nothing else, however, the lack of rules of evidence would make their system completely unacceptable to us in that a defendant would not know what to expect and the loose procedure leaves the door open to corruption.

Q Have the people been trained in the law?

A Yes. However, there is far less emphasis on that. At Novosibirsk, which has a population of over 900,000, there are about 50 lawyers. So there is far less emphasis on law.

WHERE ALL IS "PERFECT"—

Q Are there many crimes?

A They claim that there are not.

Another thing that strikes you, of course, is that everything is so "perfect" in Russia. They claim they have no juvenile delinquency because the families bring up their children so well; that their criminal courts are being dissolved because there is no crime. And, of course, that is not correct because they gave amnesty two years ago to all criminals and they have had a tremendous problem with them since then. They say there are no automobile accidents because everybody drives well. The reason everybody drives well, it was explained to us, is because all drivers in Russia are "disciplined." Personally, I never had such harrowing drives.

Q Who takes over when a man shoots someone? Do the local police move in? If it is a military area does the military take over?

A The judges in Baku said they don't have any problems really like that—that the worst things they had was jealousy and some women quarreling. But, where they do, the militiamen—since the Revolution they call policemen militiamen—make the arrest. The military have jurisdiction in military areas and, also, most importantly in certain political crimes. For instance, it was a military court that tried Beria [Lavrenti P. Beria, former head of secret police, executed in 1953].

Q Did you ask about the writ of habeas corpus?

A Yes. Only one out of the approximately 30 judges we talked to had heard of habeas corpus. But in fairness I might add they don't have habeas corpus in most of the European countries. The Russians have rules that an individual is to be brought to trial within 20 days, and that period can be extended, under certain circumstances, for 5 or 10 more days. However—and this is the problem in Russian justice—

(Continued on page 144)

35 million Ozalid copies for invoices—in 1955!

...which represent more than a million hours of payroll time saved in a single year... plus expedited order filling and billing

Is it any wonder that every year more and more firms resort to Ozalid — to speed and simplify order filling, reduce errors, save time and work in invoicing or billing... and substitute for scarce clerical workers.

The Ozalid system starts with a translucent order form, written or typed. On the order form are entered prices, terms, discounts, stock serial numbers, specifications, delivery instructions, and any other required data.

Then Ozalid copies of the order are used for order filling, customer confirmation, shop or shipping instructions, packing slip and delivery order; and sent to credit, accounting, inventory control, classification records. And Ozalid copies also serve as invoices. *One order, written once, suffices for every step of the operation!*

Ozalid copies are made easily, quickly, cheaply. Just lay the translucent original over sensitized paper, and feed into an Ozalid machine. Ozalid will copy anything written, typed, printed, drawn. An Ozalid copy is made in less than a minute, and a letter size sheet costs less than 1½¢.

Ozalid reproduction is instant, clean, dry — no photography, developing tanks, dryers, machine cleaning or messy maintenance. And anybody can use an Ozalid machine.

You can also Ozalid copy letters, reports, bulletins, statements, ledger sheets, records. For cumulative records or statements, add new entries on the original; and Ozalid copies serve as current reports.

Ask the nearest Ozalid distributor *(see phone book)* to show you how Ozalid can reduce work and costs for your company. Or write 33 Ozaway, Johnson City, N. Y. In Canada, Hughes Owens Co., Ltd., Montreal.

OZALID — A Division of General Aniline & Film Corporation • *From Research to Reality!*

OZALID

OZAMATIC *(left) is a table model, handles sheets as wide as 16", and can make up to 1000 prints an hour.*

BAMBINO *(right) is the smallest, fastest, low-priced office copying machine; will make 200 copies an hour, on sheets as wide as 9", for less than 1½¢ a copy.*

. . . "Quite a bit of drunkenness in Central Asia, in Moscow"

exceptions can be made in political trials for political crimes, and if it is to the interest of the state you have exceptions. If it is a political trial it goes before a military or special court.

We are going through a period of coexistence, and it seems to me we ought to examine carefully and continuously the Soviet system of government and justice so we know the type of people with whom we are dealing. A trial is supposed to be public, but, in political cases, exceptions can also be made to that. This was the procedure followed during the vast majority of the purge trials of the 1930s—which, except for a very few, were conducted in secret. The trials of Beria and his assistants are more recent examples of secret trials.

Another example, they have a procedure—and there is talk now of repealing it—that a board of the Minister of the Interior, who runs the secret police, can sentence a man to five years in a labor camp. He serves his five years and then comes and says, "I want to get out now, my five years are up." They can then say the board has met again and decided he should have his sentence extended another 10 years. Back he goes, without a trial, and that's the end of it.

Q Don't they have to keep their labor force up in their prison camps?

A Yes, but I think they can keep their labor force up in other ways also. You see these women who are doing heavy manual work in the towns and cities and just getting enough to keep alive—it's not much different from being in a labor camp.

"EVERYBODY IS TO WORK"—

Q Where do they get them from?

A It is just this propaganda that everybody is to work. If you have children, they have these nurseries, and the child is taken at two months and put in a nursery, and I am sure they have very good care. However, the system is that everybody is to work for the state. The state is all—the individual, the family, is secondary.

These nurseries permit the mother to go out and work for the state. We saw women working in a steel plant, operating cranes, and working on heavy construction jobs. The Russians are constructing a large bridge at Novosibirsk, and I have pictures of these women lifting these heavy beams and other materials.

Q How about child labor?

A Some of the people in these plants looked awfully young, and we asked about that. They said they don't take them under 16 years of age except under exceptional circumstances, and then only for a half day. In one plant they told us they took them at 14.

Q Did you go into any of the jails?

A No.

Q Are there any jails?

A I've seen jails—we passed them. In addition, in Ashkhabad we saw a building being constructed and around it was all this barbed wire, and watch towers. We asked what it was, and they said it was "just some work going on there."

We asked if it was a prison, and they said, "No." So we asked why there was barbed wire, and they finally said, "We had some prisoners there a year or a year and a half ago, but they've gone."

I question the accuracy of that answer because, first, the buildings were not far along in construction and, second, because Ashkhabad is still a closed city and it could well be closed because of the presence of slave labor. I wouldn't be surprised if they still have either prison or slave labor working there.

Q What do you mean by "closed" cities?

A Where foreigners weren't allowed.

Q Did you see much drunkenness on the streets?

A We saw quite a bit of it in Central Asia. Our guide spoke to us of it as a problem and asked us if we were having the same difficulty in the United States.

Q In Moscow they say you never see it—

A We saw quite a bit of it.

Q How are the people clothed—Eastern or Western?

A Both.

Q What kind of hospital facilities do they have in that area?

A They seemed very good, very clean. They have a great number of doctors, mostly women. They have some wonderful theaters in that area and very good shows—operas, some ballet. We visited a number of the libraries. They have a large number of books. They don't lend them out as we do in this country. You go into the library and read. They have only a small number of books which are available for loan.

Q Do people work every day?

A Six days a week for eight hours.

Q What do they do with their day off?

A That I don't know. They do go to the theater—it is very popular. Sports are extremely popular, basketball particularly.

Q Are there American movies?

A I didn't see any, although some people in Moscow asked us what Deanna Durbin was doing, and also about Tarzan.

Q Is Sunday the day off?

A Not always. They work on Sundays in some of the factories.

Q What other sports do they have besides basketball?

A They have what we call soccer and they call football, and it is also very popular. We saw a lot of small basketball courts.

Q Did you go to people's homes?

A Yes.

Q Were they curious about you?

A Yes, the people in stores and in the streets gathered around and sometimes asked questions.

PEOPLE WERE FRIENDLY—

Q Were they friendly?

A Yes.

The people were all very friendly. Some of the officials and some of the members of the Communist Party on occasion were not very friendly. But when we went into the farm areas—it makes me feel their intense propaganda doesn't get through as effectively as it might, because, if they had been told for 9 or 10 years that we were really their enemies and believed it, I don't think they could turn that off and have people as genuinely friendly as they were.

Another thing, we used to ask in each place what they most disliked about the United States, and what they most liked, and invariably the answer to the thing that they liked the most was our mechanical ability and know-how.

(Continued on page 146)

NEW YORK · CHICAGO · DALLAS
PORTLAND, ORE. · WASHINGTON, D.C.

When unusual business problems or special projects arise in your organization, they need not over-burden your staff or divert key personnel from important regular duties. Through Ebasco, you have access to additional qualified manpower whenever and wherever you need it.

During the past fifty years, Ebasco has had experience in *all* types of problems for large and small companies. This means Ebasco can get to work promptly on your problem and save you a maximum of payroll dollars.

For a complete outline of the services Ebasco offers, write for our booklet, "The Inside Story of Outside Help." Address: Ebasco Services Incorporated, Two Rector Street, New York 6, New York.

1905 *Fiftieth Anniversary* 1955

Appraisal • Consulting Engineering • Design & Construction • Financial & Business Studies • Industrial Relations • Insurance, Pensions & Safety • Purchasing, Inspection & Expediting • Rates & Pricing • Research • Sales & Public Relations • Space Planning • Systems, Methods & Budgets • Tax • Washington Office

. . . "Average local person lives in a mud hut"

Q They still like our machinery?

A They still feel we could teach them. They were very excited about the agricultural delegation, and all of them admitted that they were going to get far more out of exchange [of visits by U. S. and Soviet farm experts] than we, because we were also so far advanced in agriculture.

Q What do they dislike about us?

A The question that was most frequently raised was about the Negroes and whether they were mistreated and discriminated against, segregated and lynched.

Q How did they know we have any Negroes?

A I expect they have been told about them by the radio and the press. That was the most frequent criticism and question. Because of the popularity of basketball and the fact that this question has been raised, I think it would be a wonderful thing if the Harlem Globetrotters [Negro professional basketball team] would consider going to Russia and touring the country for a month or so as they have done in the Middle East and other areas of the world. However, I doubt if the Russians would give them permission, as that would help the U. S.

Q What about typical home life in Central Asia?

A The average local person lives in a mud hut, with a mud floor. The homes of the Russians in the area are better.

FOR WATER: A DITCH—

Q One family?

A Often, families share homes or apartments. Regarding sanitation, in Samarkand the local people get their water out of a ditch that flows by the edge of the road—as they do in Teheran and a number of other cities in the Middle East. In Bukhara they get their water from a pump. Most of the people in houses and apartments have to rely on outdoor sanitation facilities. Some of the farmhouses are nice, however. The houses for the people from the factories are small—the rent is very little, but the rooms are very small.

Q Were they typical?

A I am sure we were shown only the best farms and only the best apartments and only the best factories. However, we could see the more typical houses, walking along the streets. They did have some heat in the homes we went to.

Q The American farmer we interviewed here after he returned from Russia said his impression was that the people were much happier than he had thought they would be, but he thought this was because, though things for them compared to things for our people were not nearly as good, they were much better compared to what they had had—

A I agree. And I think a lot of the areas are far better off than the comparable areas in the Middle East.

Q The reason the American farmers were impressed was because the situation wasn't as bad as they thought it would be—not because it compared favorably to ours—

A There is absolutely no comparison to anything we have in this country—either from a material or a spiritual point of view. Things we take for granted in the United States just don't exist there.

Q Such as what?

A Well, for instance, if you don't like working here, you can get up and walk downstairs and that's the end of it, or if you want to take a train and go to Boston, you can get on the train and go to Boston. You don't have to check with anybody.

If you are accused of a crime in America, you are accused and tried in public, and your relatives and friends will be there, and there is going to be a newspaper there and if they don't like the way you are treated something will be done about it. I think that we take such things for granted. Many of the leaders of Asia chide the United States for being so materialistic—I think our problem is that we take the rights that we have in this country for granted and we don't talk about them.

Q We are supposed to be losing all those rights—do you think we are?

A I don't agree with that, either.

Q How long were you in Moscow?

A About five or six days.

Q Did you get a different feeling about Moscow than you had about the other parts of Russia?

A I think they are better off in Moscow than they were in some of the Central Asian and Siberian cities. The thing that struck me, however: I went to Warsaw, and I think Warsaw is 100 per cent better off than any place I saw in Russia.

Q Better than Moscow?

A Yes, the people are far better dressed, there is a much brighter appearance, and the big thing is that the Polish people are a stubborn people. They have a natural dislike for the Russians, and the Communists are having a hard time getting through a large number of their theories. For instance, you can't get into a church on Sunday because they are so crowded. People who never went to church before are now going to church.

Q Are there any Jewish colonies in the Siberian area?

A Not that we visited. We asked to visit the synagogue in Stalinabad in Central Asia, when we were there, and were told that there wasn't one. When we got to Moscow, the rabbi there said that there was a synagogue in Stalinabad, so once again we were given wrong information.

RUSSIA? "I HAD ENOUGH"—

Q Would you like to go back to Russia again?

A I had enough of it.

Q Would you like to live there?

A No. I am a firm believer in the capitalistic system.

Q You think with all our troubles and all our friction and all our defects, we may be better off than they are?

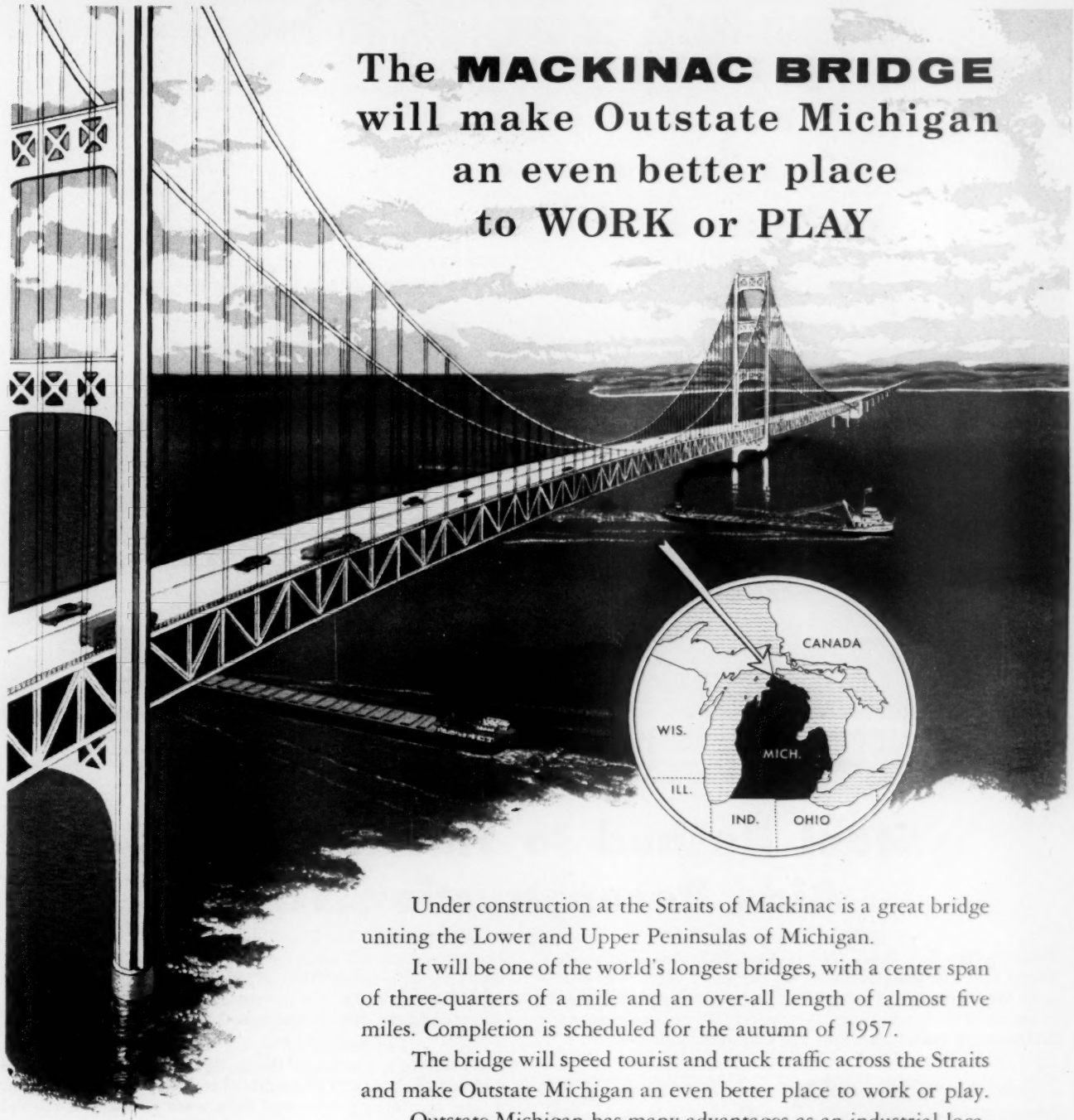
A I think anybody who doesn't think so should take a trip there.

I am hopeful, like everybody in the world, that what happened at the Geneva Conference and what will happen at the meetings of the four Foreign Ministers will mean peace for us all. However, on the basis of what I saw and learned in Russia, I am very distrustful that we will get anything other than smiles.

We are dealing with a Government to whom God, the family or the individual means nothing and whose practice it has been in the past to make promises and treaties to serve their purposes and to break them when it has been to their advantage. It can only be suicidal for us during this period on the basis of smiles to strengthen Russia and weaken ourselves.

For impressions of thirteen Congressmen who have just completed visits to Russia, see page 100.

The **MACKINAC BRIDGE** will make Outstate Michigan an even better place to WORK or PLAY



Under construction at the Straits of Mackinac is a great bridge uniting the Lower and Upper Peninsulas of Michigan.

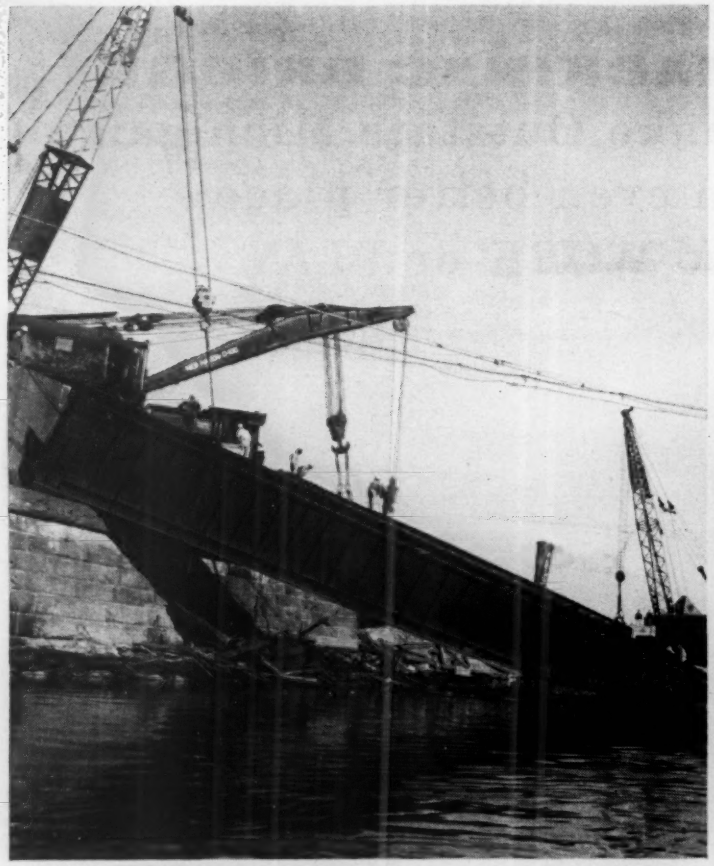
It will be one of the world's longest bridges, with a center span of three-quarters of a mile and an over-all length of almost five miles. Completion is scheduled for the autumn of 1957.

The bridge will speed tourist and truck traffic across the Straits and make Outstate Michigan an even better place to work or play.

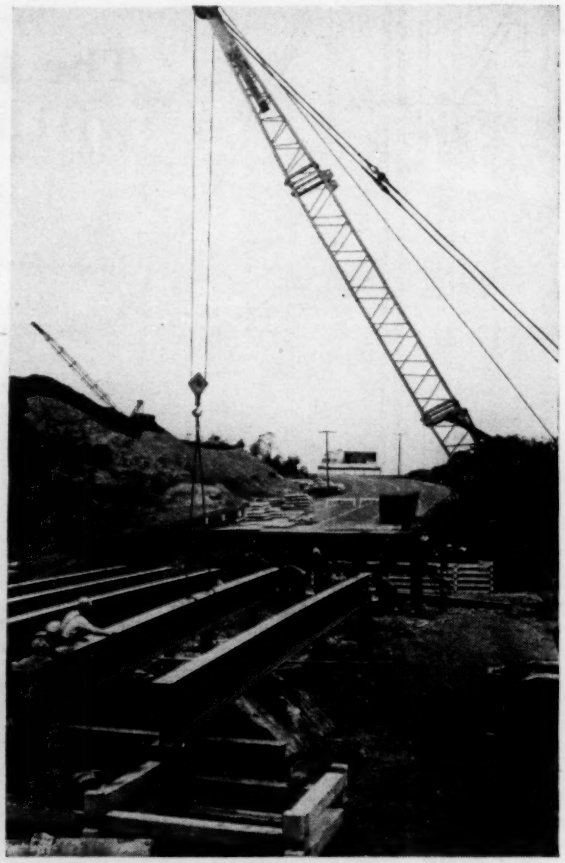
Outstate Michigan has many advantages as an industrial location . . . skilled manpower, central location, unequalled supply of fresh water, a favorable climate. It's the place to build your new manufacturing plant.

FOR DATA ON PLANT LOCATIONS TO FIT YOUR REQUIREMENTS CONTACT OUR INDUSTRIAL DEVELOPMENT DEPARTMENT

CONSUMERS POWER COMPANY
JACKSON, MICHIGAN



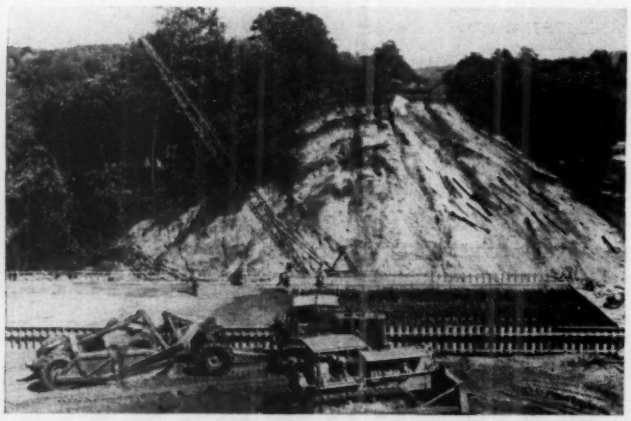
SALVAGING GIRDERS FROM RIVER BED—At the wrecked Naugatuck River Bridge of the New York, New Haven and Hartford Railroad at Waterbury, Conn., girders are being salvaged from the river bed. We rushed approximately 500 ft of wire rope to Waterbury for this operation.



NEW BRIDGE ON PENNSYLVANIA'S ROUTE 11—This emergency bridge will carry Route 11 over Spring Brook Creek, south of Scranton. The new bridge is being built with Bethlehem H-piling and structural steel.

Steel Rushed to Flooded Areas Aids Reconstruction Task

Even before the flood waters that followed Hurricane Diane had started to recede, we began to receive urgent calls for steel. Soon it was clear that immense quantities of steel would be quickly needed to relieve human distress and restore normal life and activities.



NEW BOX CULVERT FOR BOSTON AND ALBANY R. R.—When dams gave way near Springfield, Mass., the torrent washed out high railroad embankment. Note tracks (arrow). Bethlehem rushed 280 tons of steel reinforcing bars for new culvert, shown in foreground.

We saw that we could meet the acute need only by breaking into production schedules and utilizing the full facilities of Bethlehem plants and mill stocks. We were sure that any of our customers whose orders might be affected would approve our course.

So within a few hours the initial emergency shipments were on their way. Thousands of tons of structural shapes, piling, reinforcing bars and rails were rolled and rushed to the stricken areas. In some cases steel was rolled and shipped within hours after receipt of the order.

All major Bethlehem plants in the East have shared in meeting the flood emergency. Our plant at Bethlehem, Pa., largest producer of structural shapes in this country, was itself a flood casualty, but as the plant got back into operation its output also was made available to help in repairing flood damage.

But the task was one in which many companies shared. In this emergency, as in many another, in peacetime and in war, the steel industry has always been prepared to pitch in and deliver the materials needed to serve the national interest.

BETHLEHEM STEEL

BETHLEHEM STEEL

Trend of American Business®

24th and N Streets, N.W.
Washington, D.C.

Employment in U.S. today is running at record high levels, but there has been a marked shift in the country's employment patterns.

Total employment in nonfarm jobs reached 50.3 million in September, an all-time high for the month. That's 1.8 million above a year ago and 60,000 above the previous September peak reached in 1953.

But there's a difference between today and 1953.

Factory jobs are 550,000 fewer than two years ago.

Utilities and transportation companies have 115,000 fewer employes.

Mining jobs, in a long-term downtrend, are 100,000 below September, 1953.

Gains over the last two years have come almost entirely among companies that supply services to the American people rather than goods. These figures on employment are reported by the Bureau of Labor Statistics.

Now to see where the gains in employment have been made over two years.

In trade, wholesale and retail, the increase is 279,000.

In finance, insurance, real estate, the gain comes to 165,000.

In such services as barber shops, repair shops, etc., gain is 138,000.

State and local governments have added 378,000 workers since 1953.

The boom, in other words, is spilling over into a demand for more and more services, although output of goods is setting records, too.

American factories are found by BLS to be using overtime instead of new workers to meet current demand for their products.

Factory work week in September averaged 41 hours, compared with 40.6 hours in August, and 39.7 hours in September, 1954.

A good many industries are considerably above the average.

Paper industry is at the top, with 43.4 hours of work a week.

Furniture factories come next, with an average of 42.4 hours.

At or close to a 42-hour week are rubber products, chemicals, lumber, glass and cement, fabricated metals, nonelectrical machinery.

When the longer work week is considered along with employment, BLS finds that man-hours of workers in manufacturing come within 2 per cent of the level of September, 1953. In other words, the reduction in employment is almost offset by the increase in the work week.

The longer work week, plus higher hourly pay, shows up in earnings.

Average weekly pay in factories is $77.90, against $71.86 a year ago. Workers in many industries, however, are doing much better than average.

In the oil industry, the average is $99.95 a week.

In primary metals, workers are averaging $95.40, against $82.39 a year ago.

In transportation equipment, it is $94.02 against $86.40.

(over)

Wage gains like these go far to explain the boom in consumer buying that has been going on this year and still is going strong. In all industries on the list, factory workers have chalked up increases in weekly pay.

Dip in farm income, which is considerable, is not affecting land values.

Prices for farm real estate rose 3 per cent from March to July. That's the average for the country as a whole.

In 17 States land values are at a new high, above the 1952 peak. These States include Michigan, Indiana, Pennsylvania, most of the East Coast from New Jersey to Florida. In five other States, values are close to the 1952 peak.

Prices for farm real estate reached a peak in mid-1952, then dropped. In last half of 1954, however, prices began to go up and the rise has continued.

Explanation of this trend, given by Agriculture Department, is that there is a strong demand from farmers to enlarge existing farms. More than two thirds of farms sold in 1954-55 were bought by farmers.

The Department estimates that possibly 50,000 farms were absorbed in this process. Reason for bigger farms: more economical use of farm machinery.

Credit is being used more widely for farm-land purchases. In the 1954-55 period, 64 per cent of land transactions involved credit, against 62 per cent a year earlier. Average debt amounts to 59 per cent of the purchase price. Some debts, however, run as high as 75 per cent of the purchase price.

U.S. corporations are managing to increase working capital during boom.

Total working capital as of June 30, 1955, is reported by the Securities and Exchange Commission at a new high--100.6 billion dollars. That's the amount by which current assets exceed current liabilities.

Increase in working capital since March is put at 2.5 billions.

Most of the gain--2.3 billions--comes from a rise in notes and accounts receivable. Receivables represent credit extended to customers. The increase is accounted for mostly by manufacturers and sales-finance companies.

Corporations, as a group, are in a fairly liquid position. Holdings of cash, Government securities, other securities, add up to 52.4 billion dollars. Against this, total current liabilities are put at 89.6 billions.

Production boom now going on is not confined to the United States.

Output of mines and factories in the non-Communist world hit a record in first six months of 1955. Output in this period topped production for the whole year of prewar 1938. It's running 75 per cent ahead of 1948.

Production increase over a year ago is estimated at 9 per cent. United Nations reports that all countries are doing better than last year.

Biggest gains are being scored in metal producing, metal fabrication and chemicals. Smaller gains are noted in textile production, food processing.

The world boom, in other words, parallels that of the U.S. Peak output is reported for pig iron, steel, petroleum, copper, lead, zinc, aluminum.

Federal Reserve Board, despite stock-market jitters, still holds a firm rein on bank credit. Latest reports show that the banking system as a whole still is in debt to the Federal Reserve.

In New York, bank loans to business dipped for first time in five weeks.

"He's a regular bear this morning!"

■ A man is bound to get a little grouchy about today's high costs. But here's a cheerful idea that will brighten you up and bring costs down.

Stop growling at high printing bills and consider the paper you are now using. *Remember, paper represents about one-third of your average printing bill.* For years papers of equal quality were priced about the same. But take another look now!

Today, Consolidated Enamel Printing Papers cost less than other enamel papers of equal quality.

You pocket these savings because of a modern papermaking method perfected and pioneered by Consolidated. Several costly manufacturing steps have been eliminated, yet finest enamel paper quality is faithfully maintained.

Want proof that Consolidated Enamels will cut your printing costs with no loss of quality? You can get free trial sheets from your nearest Consolidated Paper merchant, or write direct. Make your own test run. Then you be the judge.

Consolidated enamel printing papers

production gloss • modern gloss • flash gloss
productolith • consolith gloss • consolith opaque

CONSOLIDATED WATER POWER & PAPER CO. Sales Offices: • 135 S. La Salle St., Chicago 3, Ill.

ANOTHER FIELD FOR TAX CUTS

Now It's a Drive to Slash Levies on What You Buy

HOW FEDERAL EXCISES HAVE GONE UP

	Tax in 1939	Tax NOW
$500 fur coat	NONE	$ 50.00
$2,400 passenger car	$72.00	$240.00
$300 diamond ring	NONE	$ 30.00
$125 plane fare	NONE	$ 12.50
$100 radio	$ 5.00	$ 10.00
$600 piano	NONE	$ 60.00
$80 watch	NONE	$ 8.00
$25 camera	NONE	$ 2.50
$20 purse	NONE	$ 2.00
$100 of club dues	$10.00	$ 20.00
$9 fountain pen	NONE	$ .90
$8 football	NONE	$ .80
$5 telephone call	$ .20	$ .50
Fifth of whisky (100-proof)	$ .45	$ 2.10
Package of cigarettes	$ .06	$ .08
Gallon of gasoline	$ .01	$ .02

© 1955, By U.S. News & World Rep. Corp.

A national sales tax is being talked up again, as a replacement for excises.

Sales-tax idea is even less popular than excises. Yet the Administration is pledged to do something about excises that hit some businesses and miss others.

Question is: What can be done? Excise relief costs money, and what's wanted is more money from taxes on sales, not less.

The problem of what to do about excise taxes is being forced upon the Administration at a time when decisions are both difficult and necessary.

Businessmen are rallying against taxes on the sale of cars, whisky, furs and dozens of other products as they parade before a committee of Congress. Witness after witness protests against "inequities" and "discrimination" of the excise taxes.

The trouble, officials find, is that nothing they do—or think of doing—on excises seems right. Official thinking goes like this: Nobody likes present "hit or miss" excises. Yet relief costs money, at a time when officials are straining to get the budget in shape for 1956 elections. The Administration wants more, not less, revenue from taxes on sales. That points to a national sales tax. But few officials dare push a sales tax with an election in the offing.

What's wrong. You get, in the chart on this page, a picture of excises—and how they have changed since the days before World War II.

Back in 1939, the family that bought a $2,400 car—an expensive car then—was tapped for an added $72 in excise tax. Now the extra cost is $240—a sizable sum. In 1939, with few exceptions, only the luxuries of life were subject to excises—and not all of those, as the list shows. Jewelry, furs and expensive luggage were tax-free. Now these and many other products are taxed at rates that generally are 10 per cent.

A fifth of bonded whisky could be had in prewar days for a price that included only 45 cents in excise tax. Now the buyer pays a $2.10 tax.

(Continued on page 154)

"I got along all these years without intercom...

why should I get it now?"

That's a fair question. Before we try to answer it, we'd like to ask *you* one: What do you *really* know about intercom?

Sure, you've heard that it "saves time and money" (what business product doesn't?) but unless you've had first-hand experience with intercom, you can't be expected to know the things it does for a business. Here are a few that apply to almost every business. Why not take a minute and see where they apply to yours.

When people leave their work to exchange information, costly working time is lost *daily*. With Executone Intercom your people stay at their work and get more done. At the touch of a button any employee is in instant, voice-to-voice contact with any office, department, or plant area.

When your phone lines are busy with inter-office calls, customers are frequently left "holding the line." These delays are annoying and lose good will. With Executone, inside calls never go through the switchboard. Phones are open for important outside calls. And with a reduced work load, your operator gives better, faster service.

When customers phone for information you don't have to say, "I'll check and call back." With Executone you get the information while you're on the outside call. No bothersome call-backs that add a sizeable chunk to your phone bill.

When an employee is needed in a hurry, do you waste time running through offices, or have your switchboard operator phoning and annoying others? With Executone you simply press a button and your man is paged and on the phone or in your office in seconds.

In addition to these *general* examples, Executone gives you many other *individual* uses that apply specifically to your business.

Executone *alone* provides engineering and service personnel in your area to (1) survey and plan your individual system, without charge (2) instruct your people thoroughly in its efficient use (3) provide fast, competent service *on your premises* as needed. Executone's nationwide service organization assures years of profitable use from the most advanced, most dependable, most versatile communication system you can buy!

Why not fill out the coupon so your secretary can send it to us. It will bring you more information on the uses of Executone in your business. In addition you can receive "Talk Lines," an informative case history magazine telling how other companies profit from Executone. There's no obligation, of course.

Don't Walk...Talk!

Executone

INTERCOM AND SOUND SYSTEMS

EXECUTONE, Inc., Dept. A4, 415 Lexington Ave., New York 17
It sounds interesting. Send me the following—at no cost or obligation:

- ☐ "Talk Lines"—Case history magazine

Information on:

- ☐ Switchboard Relief
- ☐ Inter-Office & Plant Communication
- ☐ Locating Personnel
- ☐ High Noise Level Coverage

Name_____

Firm_____

Address_____

City_____

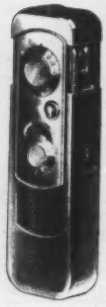
In Canada—331 Bartlett Ave., Toronto

© 1955, Executone, Inc.

Picture yourself in the exciting, foreign atmosphere of Mexico . . . serenaded by mariachi players . . . enjoying the constant spring and summer . . . shopping for beautiful crafts that cost so little . . . discovering the romantic, colorful country just across the border! You'll be amazed at how little it costs with your dollar now worth more than ever.

See your travel agent or
THE MEXICAN GOVERNMENT TOURIST BUREAU
New York • Chicago • Los Angeles • San Antonio
San Diego • Houston • New Orleans • Miami

Sam Posen, President,
Beltone Hearing Aid Co.
always carries his
minox camera



because, as a precision-minded scientist, he appreciates the exact engineering that created the world's tiniest camera. Mr. Posen uses his Minox to microfilm intricate electronic circuits, case histories, displays, meetings, and to record family events.

fast f/3.5 lens.
all speeds to 1/1000 sec.
weighs but 2½ oz.

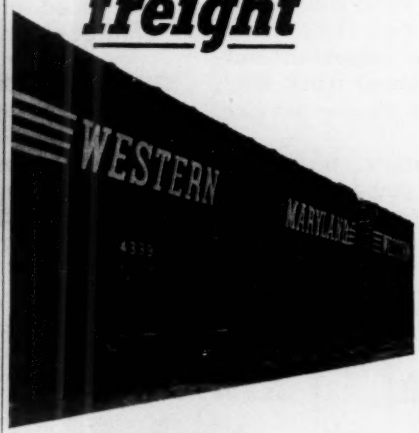
minox III-S with chain and case **139.50**

WORLD'S MOST FABULOUS GIFT!

at all better camera dealers!
for literature, write Dept. O

KLING Photo Corp.
235 Fourth Ave.
New York 3, N. Y.

Short cut for fast freight



WESTERN MARYLAND RAILWAY

St. Paul Place, Baltimore 2, Md.

It's costly to keep up with excise-tax rules . . .

It isn't just the size of these taxes that bothers businessmen. It is the costly job of complying with complicated tax regulations and the advantages given by these taxes to some businessmen in competing with others.

"By way of illustration," a television-set producer tells the committee, "suppose that a television set costs $300 on the retail market. A manufacturer might sell that set to a wholesaler for $175, and the wholesaler might sell it to a retailer for $220. If the manufacturer sells it to the wholesaler, he pays a tax of $17.50. If, on the other hand, he sells it to the retailer, he must pay a tax of $22."

The tax, this manufacturer says, discriminates against the producer who does his own distributing to retail outlets.

A spokesman for the American Bar Association charges that rules on refunds "impose an impossible burden of proof as a condition to recovery of taxes which admittedly were illegally collected."

Other businessmen have their complaints, too. Lubricating oil is taxed, but reclaimed oil is not. A cigarette lighter is taxed at 10 per cent of the manufacturer's price, or at 10 per cent of the higher retail price if it is heavily decorated—it becomes jewelry then.

There's a tax on items plated with gold or silver, but only if the plating is more than 1/100,000 of an inch. How many retailers can tell that?

A hospital pays a tax on toilet preparations; a beauty shop does not.

Even a top Treasury official reported troubles with exemptions from the excise taxes. The Government is swamped with exemption pleas from charitable groups wanting to stage benefit performances and shows. But every time the Treasury exempts one on the ground that it is serving an important social purpose, a dozen others get the idea.

What to do? How to mollify businessmen and their customers without knocking another hole in the federal till is the question. While officials freely admit excises are discriminatory and that something must be done, they insist that the budget can't stand the cost of relief.

Distillers and tobacco producers, for example, want to scrap the stamps that they put on their products to show taxes have been paid. They want, instead, to file periodic returns and pay up then. The Treasury has power to make the change, but the switch means a lag in collections. Producers would not pay so soon. The lag would cost 720 million dollars in the first year. Then the Treasury would have to borrow that amount—

. . . Sales tax regarded as political poison

and pay 16 million dollars a year in added interest.

The solution favored by the National Association of Manufacturers, by many other business groups, and by top tax advisers in the Administration is a levy patterned along sales-tax lines.

From their first days in office, Treasury officials have lamented the country's heavy reliance on direct taxes—on incomes, gifts and estates. Indirect taxes—on sales—provide only 15 per cent or so of revenues. A good revenue program, in the official view, would tax sales for far more of Government's total take—perhaps something like the 35 per cent of revenues produced by excises before World War II.

At the same time, officials insist, the tax should be broader. It should fall with equal weight on all, or nearly all, products sold.

—USN&WR Photo

IF THE CAR COSTS $2,400 . . .
. . . the excise tax is $240

At this point, Mr. Eisenhower's tax advisers develop acute political sensitivity. A sales tax without exemption of food—and probably medicine and clothing—is regarded as political poison. Even with only food exempted, a sales tax would have to be at a rate of 4 or 5 per cent if it is to replace the 9.3 billion dollars now collected through excises. Even that assumes relatively high excises would be retained on liquor, tobacco and gasoline.

To give the sales tax a really big role in federal finances would mean a much higher rate and no exemptions.

(Continued on page 156)

WHEREVER ALERT BUSINESSMEN TALK INSURANCE
top-level topic is
LOW COST
of General American Life's
MULTIPLE
PROTECTION PLAN
A sound combination of term and permanent protection, the Multiple Protection Plan provides an increased amount of insurance when children are young and most dependent; then continues protection for life at low ordinary rate. Or the initial larger amount of insurance can be made permanent without evidence of insurability, if desired. The Multiple Protection period can be for 10 years, 20 years, or "To age 65."
Young business executives find this extremely low-cost plan particularly attractive . . . now more than ever with the new lower premiums that assure maximum protection at the least cost.
One of the very best ways to safeguard a growing family's future.
General American Life
ST. LOUIS, MO.
One of the nation's leading mutual legal reserve companies
Photographed at W. F. Hall Printing Co., Chicago, a group insurance client of General American Life Insurance Company.

To Serve You Better

CHEMICAL CORN EXCHANGE BANK 1824 NEW YORK

Offices conveniently located in all five boroughs of New York City

•

Correspondent Banks Throughout the U. S.

•

Correspondent Banks and their branches in more than 5000 communities around the globe

CHEMICAL
CORN EXCHANGE
BANK
Founded 1824
International Division
165 BROADWAY, NEW YORK 15

In good company

Look over the advertisements in this issue. You'll notice how many different kinds of businesses find it advantageous to advertise in "U.S. News & World Report." Ask your advertising agency for their facts on how the "magazine of essential news" fits into your own advertising program.

SAVE WITH SAFETY . . . YOUR MONEY EARNS MORE

3½% ACCOUNTS INSURED to $10,000

Get our FREE LIST of Federal INSURED Savings Associations paying 3½% current dividend.
ALBERT J. CAPLAN & CO.
Members: Phila-Balto Stock Exchange
1516 LOCUST ST., PHILA. 2, PA.

the AMERICAN APPRAISAL company
leader in property valuation
Home Office: Milwaukee 1, Wis.

STATEMENT REQUIRED BY THE ACT OF AUGUST 24, 1912, AS AMENDED BY THE ACTS OF MARCH 3, 1933, AND JULY 2, 1946 (Title 39, United States Code, Section 233) SHOWING THE OWNERSHIP, MANAGEMENT, AND CIRCULATION OF

U.S. News & World Report published weekly at Washington, D. C. for October 7, 1955.

1. The names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, John H. Sweet, Bethesda, Md.; Editor, David Lawrence, RFD No. 1, Centreville, Va.; Managing Editor, Carson F. Lyman, Bethesda, Md.; Business Manager, Anthony R. Gould, Bethesda, Md.

2. The owner is: United States News Publishing Corp., Washington, D. C.; Mark Lawrence, New York City; Mrs. A. Lawrence Hart, Jr., Georgetown, Conn.; Mrs. Etienne Lawrence Sturhahn, Princeton, N. J.; Chase National Bank, New York City (as Trustee for Mark Lawrence, Mrs. A. Lawrence Hart, Jr., Mrs. Etienne Lawrence Sturhahn); Marine Trust Company, Buffalo, N. Y. (as Trustee for Cecilia Lawrence, Ruth R. Lawrence, Edythe L. Scheiner, S. L. Scheiner, and D. L. Scheiner); Owen L. Scott, Washington, D. C.; Margarete M. Scott, Washington, D. C.; G. W. and Buena M. Bryan, Dogue, Va.; Anthony R. Gould, Bethesda, Md.; Mildred A. Gould, Bethesda, Md.; Harold M. Wells, Washington, D. C.; Ellanor C. Lawrence, RFD 1, Centreville, Va.; W. L. Brauer, Bethesda, Md.; John H. Sweet, Bethesda, Md.; H. L. Behlke, New York City.

3. The known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities, are: Chase National Bank, New York City (as Trustee for Mark Lawrence, Mrs. A. Lawrence Hart, Jr., Mrs. Etienne Lawrence Sturhahn).

4. Paragraphs 2 and 3 include, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting; also the statements in the two paragraphs show the affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner.

5. The average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the twelve months preceding the date shown above was 733,062.

ANTHONY R. GOULD, Business Manager

Sworn to and subscribed before me this 3rd day of October, 1955.

[SEAL] ELIZABETH M. BARTHEL, Notary Public

My commission expires May 31, 1957.

Serve The Great Champagne of France MOËT
SCHIEFFELIN & CO., NEW YORK

. . . Outlook: minor revisions in excises

If nothing at all is done to excises, many Korean-war rates will drop automatically next April, with a revenue loss of a billion dollars a year.

A decision, officials know, must be made soon. Congress will convene January 3 in a session that is to give the President his last chance to make good on a promise to modify excise taxes.

That pledge, it now seems clear, is to be redeemed more formally than practically. With a sales tax and major excise cuts written off, only minor revisions in excises remain to be proposed by the Administration. These will give relief in the form of technical revisions that remove some discriminations and some business costs.

Businessmen and their customers, in other words, are to find that the excise-tax problem is here to stay for a time.

Pension Funds: Up 77 Per Cent

Corporations have built up pension funds for their employes to the point where they have passed the 11-billion-dollar mark. In just one year, 1954, those reserve funds expanded by 1.8 billion dollars. In three years they have grown by 77 per cent.

At the same time, these corporation pension funds have swung sharply to investments in common stock, according to the findings of a survey conducted by the Securities and Exchange Commission. Common-stock purchases of these funds in 1951 amounted to 257 million dollars more than sales. Last year, net purchases were 539 million. As a result, these funds now own about as much corporation common stock as all the life insurance companies in the country.

Corporate bonds, too, are increasingly popular with trustees of the funds. They now hold more than twice as much in these securities as in 1951.

The Census Bureau, meanwhile, looks over pension funds maintained by State and local governments for their employes and finds that they jumped from 6.4 billion dollars in 1952 to 8.7 billion at the end of 1954. These funds, too, have shifted sharply to corporation securities—away from securities issued by the Treasury and by State and local governments.

What all this means is that, by now, the combined pension funds of corporations and State and local governments are bigger than the huge Social Security trust fund.

(Advertisement)

All postmarks are actual reproductions. Post offices mentioned in the text really exist.

Grit—weekly best-seller in America's least exploited market

A figure Filbert (S.C., W.Va.) from Fiftysix (Ark.) has figured out that the Grit market is bigger than Cleveland, Pittsburgh, Washington, Rochester and Indianapolis combined.

But advertising aimed at metropolises misses the people in this market. They're grass-roots people—spread out all over the U.S.A. in towns like the ones from which we snagged the postmarks. Towns more than a hoot and a holler away from big cities. Towns no commuter's local ever whistled at. True small towns.

The weekly Grit audit now hits 800,000 copies in 16,000 towns—and keeps on going. That means better than 3¾ million readers. And 58.54% of them in towns of 2500 or less! No other national magazine comes even close to such small-town concentration. Which is one important reason why small towns represent America's least exploited market.

Grit belongs in small towns the way chocolate cake does in church suppers. Small-town people live by it. They get their news, fiction, games, comics, menus, patterns, workshop plans, child-raising hints, poetry and puzzles from Grit.

And it's their buying guide, too. We've 20 years' documentary proof of that. The best proof, though, is your own. That costs about $1 per town per year for a full-scale, large-space campaign. Take *your* Place (Ky.) in the small-town Sun (La.) with Grit!

Grit Publishing Co., Williamsport, Pa. • Represented by Scolaro, Meeker & Scott in New York, Chicago, Detroit, Philadelphia; and by Doyle & Hawley in Los Angeles and San Francisco

This announcement appears as a matter of record only.

New Financing *October 11, 1955.*

$30,000,000

Lone Star Cement Corporation

3¾% Term Loan Due 1970

Direct placement of this Loan with institutional investors has been negotiated by the undersigned.

Hayden, Stone & Co. Adamex Securities Corporation

Another Santa Clara County *Trade Mark*

...located at the

PROFIT CENTER

of the West!

The Beech-Nut Packing Co. needed the best distribution point in the West. The decision—Santa Clara County, California! Perhaps *your* firm could use this same advantage!

ACCEPT THIS SERVICE...
Write for an individually prepared copy of "Your PROFIT PLAN for the Western Market."

San Jose Chamber of Commerce
Dept. D-2, San Jose 14, Calif.

San Jose CALIFORNIA

Located in Santa Clara County

Send A Copy To Your Friends

...WITHOUT CHARGE

U. S. NEWS & WORLD REPORT
24th & N Streets, N. W.
Washington 7, D. C.

Please send a free copy of "U. S. NEWS & WORLD REPORT" with my compliments to the persons listed below:

☐ If possible, send the October 21, 1955, issue.

To.....

Address.....

City.....Z.....State.....

• • •

To.....

Address.....

City.....Z.....State.....

Sender.....

Address.....

.....

NEWS-LINES

WHAT YOU AS A BUSINESSMAN ☑ CAN and ☒ CANNOT DO

as a result of recent court and administrative decisions

☑ **YOU CAN** get a State court to forbid a union to violate the arbitration and ***no-strike clauses*** of your contract with the union. By refusing a review, the U. S. Supreme Court leaves in effect a lower-court ruling that the Taft-Hartley Act does not prevent such action by a State court.

* * *

☑ **YOU CAN,** as a retail dealer, probably take an ***income tax deduction*** for your loss on debentures that you buy from your supplier in order to assure your source of supply. The U. S. Tax Court holds that the cost of a plywood manufacturer's debentures are deductible, by the dealer who bought them, as a business expense or loss in the year the manufacturer's business failed and the securities became worthless.

* * *

☑ **YOU CAN** now ship some additional items to Hong Kong without obtaining an ***export license*** from the Department of Commerce. Items for which export restrictions are eased include certain leather goods and household electric appliances such as refrigerators, vacuum cleaners and laundry equipment.

* * *

☑ **YOU CAN** disregard export quotas in shipping abroad ***refined copper*** of foreign origin. These quotas are dropped for the fourth quarter by the Commerce Department. Limitations remain on exports of copper raw materials, and copper refined from scrap of Canadian origin cannot be exported.

* * *

☑ **YOU CAN** count on the average price-support levels for the 1955 ***tobacco*** crop staying at figures that were announced on a preliminary basis last April 1. The Department of Agriculture says that there will be no change in these support levels for burley, fire-cured, dark air-cured, Virginia sun-cured and cigar filler and binder tobacco.

* * *

☑ **YOU CAN,** as a ***wheat*** dealer, make a bid to sell grain to Greece. The Department of Agriculture announces that country is in the market for nearly 1 million bushels of wheat, with bids

being closed October 25. Details may be obtained from the Greek Government's Foreign Trade Administration, 729 15th Street, N. W., Washington, D. C.

* * *

☒ **YOU CANNOT,** as a cash-basis partner selling your interest in an accrual-basis ***partnership,*** treat as a capital gain that part of the sale price that is attributable to the firm's undistributed current earnings. The Supreme Court turns down a petition for review and leaves in effect a court finding that such profit must, for tax purposes, be considered as ordinary income.

* * *

☒ **YOU CANNOT,** during ***collective bargaining,*** safely turn down a union's request for information on the wages and merit increases of each employe in the bargaining unit. The Supreme Court allows this lower-court ruling to stand. The lower court found that the employer had refused to bargain, even though he did furnish the union with some of the information it requested. It made no difference that the union had left solely to the employer's discretion the matter of granting merit increases.

* * *

☒ **YOU CANNOT,** as a retail druggist, legally cut prices below levels established under a State's ***fair-trade law*** for products sold on physicians' prescriptions that mention the products by their trade names. This court ruling, which the Supreme Court will not review, says that a druggist violated a federal-court injunction by such sales.

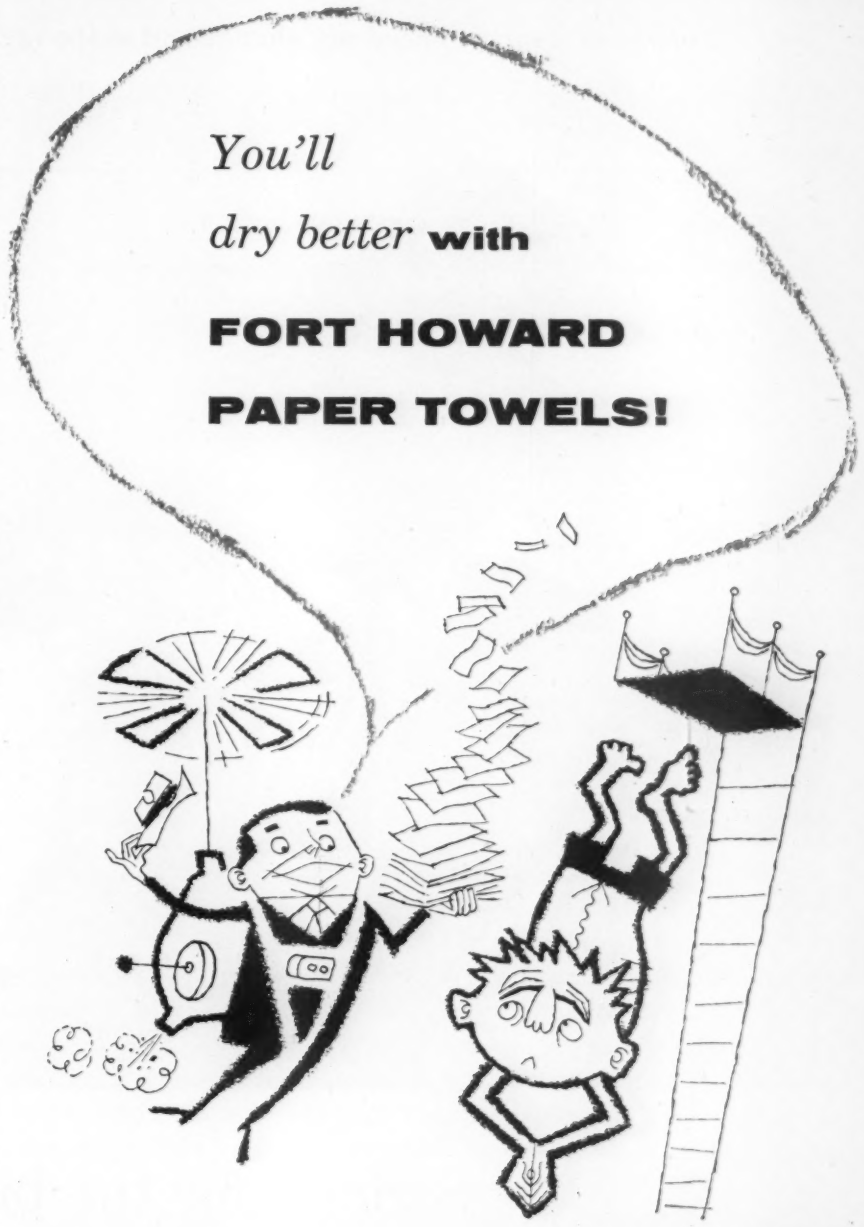
* * *

☒ **YOU CANNOT,** as a member of a partnership that builds houses for sale, treat as ***capital gains*** your profit from the sale of the houses, even though they were rented for a while before being sold. A federal court of appeals finds that such profit is taxable as ordinary income.

* * *

☒ **YOU CANNOT** expect to get the National Labor Relations Board to set aside the results of a ***plant election*** because a union representative had brief talks with individual workers, while on the job, during several days before the balloting. This is not cause to invalidate an election, says NLRB.

Conclusions expressed in these paragraphs are based upon decisions and rulings of courts and Government bureaus. In making their decisions, courts and bureaus consider many facts which, for reasons of space, cannot be set forth in detail. U. S. NEWS & WORLD REPORT, *on written request, will refer interested readers to sources of this basic material.*



The wetter you get, the more you need the special fibers in Fort Howard Paper Towels for superior drying ability. Fort Howard's Controlled Wet Strength process produces towels that stay strong and firm when wet, without losing softness or absorbency.

In addition to economy in use, only Fort Howard offers 18 towel grades and folds — to assure low-cost user satisfaction whatever your washroom requirements. Call your Fort Howard distributor . . . he'll recommend the towel that fits *your* needs exactly!

For 36 Years Manufacturers of Quality Towels, Toilet Tissue and Paper Napkins

FORT HOWARD PAPER COMPANY,
GREEN BAY, WISCONSIN

"*Unforeseen events* . . . need not change and shape the course of man's affairs"

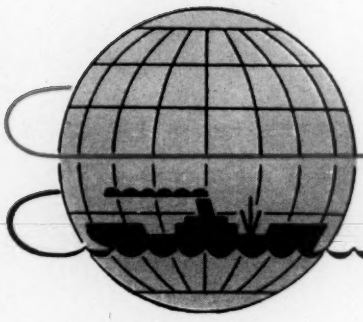
Strictly for the birds

But burglars or robbers are birds you can't scare easily.
Not when your home or business is ripe for picking.
They'll feather their nests with *your* valuables . . . any hour, any day, any night.
There's only one sure way to protect yourself against financial loss from burglary and robbery.
That's adequate insurance . . . covering your cash, jewelry, merchandise,
important records and other valuables. See your Maryland agent or broker today.
Remember: *because your Maryland agent knows his business,*
it's good business for you to know him.

MARYLAND CASUALTY COMPANY

Baltimore 3, Maryland

Burglary Insurance is only one of many forms of Maryland protection for business, industry, and the home. Casualty Insurance, Fidelity and Surety Bonds, and Fire and Marine Insurance are available through 10,000 agents and brokers.



Business Around the World

BONN • HANOVER • BERLIN

›› In West Germany the big worry is inflation. Businessmen are preoccupied about a wage-price spiral; not about rearmament, the Geneva meeting or other news of Germany that catches the headlines elsewhere.

Germans, ever since 1923, have had a latent fear of inflation. Now, with the boom in full swing, this fear is coming to the surface again.

Prices, generally, have been stable for months. Recently, though, they have been going up on some foods, building materials, steel products, rubber, nonferrous metals, coal. Coal rose after a 9 per cent pay hike for miners.

Over all, these price increases aren't too serious. But there is worry that the unions will use rising prices as an argument for boosting wage demands this autumn. Leapfrogging of prices and wages must be stopped before it starts, the Adenauer Government believes.

›› On the wage front, the alarm clock is ringing all through Germany.

Unions are waking up. Not in years have they seen a chance like this.

Objective: to win for other workers the 9 per cent raise given coal miners.

Labor shortage gives the unions their weapon as production keeps going up. Shortage is acute in the skilled trades. Over all, unemployment has fallen below half a million--and some of those workers are unemployable. Young refugees from the East get jobs in days now, instead of waiting months as they did in 1954.

Labor pirating is the rule of the day, a result of full employment.

A recent example: A building contractor could not find workers for a construction job outside Düsseldorf. So he went to another building site and persuaded workers to come to him by offering to pay, as a bonus for each man, the equivalent of two installments on a motorcycle. That's the way it goes.

German unions in the past have negotiated basic wages in their contracts. This year they want to negotiate on actual wages. Practically all employers pay well above the basic wage, and add numerous fringe benefits. If unions demand a 9 per cent raise on actual wages, employers say prices will zoom.

Most of the big unions will be negotiating contracts this autumn. A few employers already have given raises. Most, though, are sitting tight, watching the strikes spread out--and counting on Bonn to do something.

›› New stabilization policy, taking shape in Bonn, has two goals: 1. Keep down prices to undercut labor's wage demands. 2. Postpone plant investment to loosen up the bottlenecks developing because of feverish building activity.

Excise taxes on sugar, coffee, tea and matches will be cut. Tax exemptions for certain low-income groups will be increased.

Business will get special tax inducements to freeze capital funds intended

(over)

for plant investment. The idea is to stretch out construction over a period of, say, four years, instead of jamming it into the coming months.

Public funds pumped into construction may be curtailed.

Import duties on certain items, such as machine tools and farm equipment, may be lowered to increase competition in the German market.

These are the main points to look for in the stabilization program that will be submitted to the West German Parliament in the next few weeks.

>> One part of Germany that seems immune from strike fever is West Berlin.....

People there are thankful when they have jobs. There isn't enough work to go around. A quarter of the unemployed West Germans live in Berlin.

Business activity this year, though, has been rising even faster in the city than in booming West Germany. Orders which normally would be placed in West Germany have been going to Berlin, where there is more capacity open and delivery dates are better. This "spillover" business shows West Berlin's marginal status. The city felt the boom last, and will be the first to feel any letdown.

>> West Berliners are living a gamble--and they all know it.

It isn't just that the city is an island surrounded by Communist Germany.

West Berlin will almost certainly wither away if it doesn't become the German capital again. West Berliners are betting the place will regain its old glory. Wishful thinking? Maybe--but they feel it is necessary to keep going. Morale is quite important when the Russians are looking over your shoulder.

So, German reunification is the fervent hope of all West Berliners. As for other West Germans, they don't seem to care one way or the other.

>> Massive U.S. aid, now tapering off, and financial backstopping by the Bonn Government have made West Berlin a show place to dazzle East Berliners.

The city's looks change almost weekly, there is so much building going on.

Apartments are being put up at the rate of 20,000 units a year. There are scores of new stores, office buildings, restaurants. Shop windows are filled.

All this is downright awesome to the hollow-eyed East Berliners who shuffle across the border from their hovels in the Communist sector. There, buildings are rebuilt on only two streets. Shop-window displays are laden with dust.

>> The West Berliners are proud of their bright new city.

But there's not nearly enough housing yet, not to mention jobs. And wages are lower than in West Germany. Many of the skilled workers and managers are skimmed off by West Germany's higher pay and better living conditions. Also, don't forget, one is not surrounded by barbed wire in West Germany, as in Berlin.

Claustrophobia is always with Berliners. There are a few parks they can wander in; not many. They can't move far in any direction. The family with a car--rare, indeed--can drive along the highway to West Germany. But that is no pleasure trip. The Soviet tolls are too high.

This fenced-in feeling breeds certain resentments among West Berlin businessmen, who complain that West German firms pirate their best workers, bid away their steel scrap, hesitate to place orders in Berlin because it is so exposed to a Soviet crackdown. Their attitude seems to boil down to this: If they are willing to stay behind the barbed wire and make a brave show, the other West Germans should be willing to give them all the breaks when it comes to business.

Should a man take a business worry home with him?

Probably not. But if tonight's the soonest you can think about *this* one, then by all means—think about it hard tonight, in your easy chair.

Think what a fix your company would be in if, tomorrow morning, all your accounts receivable, tax, inventory and other records were gone.

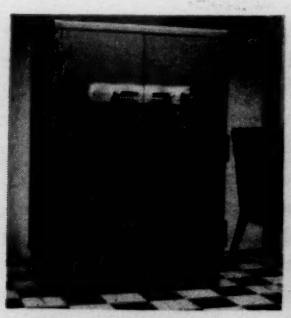
And don't content yourself with the thought that nothing *could* happen to them. That they're in the office safe.

Unless that safe bears the independent Underwriters' Laboratories, Inc. label, it would probably *incinerate* your records if a fire started. And a fireproof building would simply wall-in the fire, make it hotter.

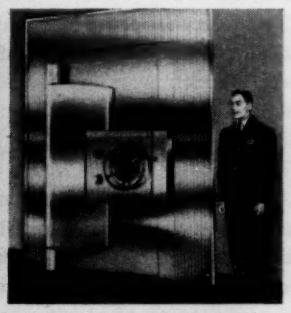
What about your fire insurance? You couldn't collect fully on it unless you could furnish "proof-of-loss within 60 days"—which is virtually impossible without records.

The risk is too great—don't take it. 43 out of 100 firms that lose their records in a fire never reopen! If your safe is old, or doesn't bear the Underwriters' label, or carries a lower rating than your risk calls for—*replace* it! Get the safe that has *never failed*—the famous Mosler "A" Label Record Safe. It's the world's best protection.

Look up *Mosler* in the phone book, right now, or mail coupon for the free booklet, "What You Should Know About Safes."



The Mosler "A" Label Record Safe has passed the Underwriters' most severe fire test—at 2,000° F. Handsome, Modern. Equipped with "Counter Spy" Lock. Full range of sizes—at lower prices than most people guess!



80% of leading U.S. banks rely on Mosler protective equipment. Mosler built the Fort Knox Gold Vaults and the vaults that withstood the Hiroshima Atom Bomb. Only *Mosler* safes are backed by such a reputation!

IF IT'S MOSLER . . . IT'S SAFE

The **Mosler Safe** *Company* Since 1848

FREE! Mail Coupon!

Please send me a free copy of your new booklet, "What You Should Know About Safes." Tells danger of inadequate protection, meaning of labels, other vital facts. Also, send me a new Mosler Record Safe catalog.

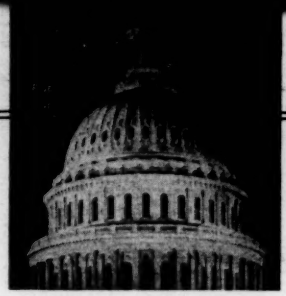
The Mosler Safe Company, Dept. USN-10 320 Fifth Avenue, New York 1, N. Y.

NAME_____ POSITION_____

FIRM NAME_____

ADDRESS_____

CITY_____ ZONE_____ STATE_____



THE HEART THAT FALTERED

BY DAVID LAWRENCE

THROUGHOUT THE WORLD a few weeks ago the people came to know that the heart of a great man had faltered.

It was the heart of a man who in his time had won universal confidence. For he had symbolized a great hope. It was that he could bring his great personal influence to bear in ushering in an era of peace, where only suspicion and misunderstanding had prevailed before.

The whole world waited anxiously for news that his services might not be denied to the people of many countries who were depending on him, if not to work miracles, at least to push war farther and farther away.

The world struggle now, however, has been resumed with renewed vigor. There is missing the great voice of restraint which called so eloquently and so naturally for a new spirit among men. For the influence at the helm of one man—based on the power he was expected to wield in public office perhaps for five years—has suddenly diminished. As the sad tidings were carried to the far corners of the earth, it became known everywhere that the leader is to retire in just a few months. His words from a hospital bed do not carry the same weight as if he were for a prolonged period to remain the active spokesman of the free nations of mankind.

The normal channels of expression, to be sure, have not been interrupted. But there is something lacking. It is the inspiration of a man whose simplicity of appeal —almost, it might be said, his naivete in the realm of diplomacy—stirred the hopes of peoples on both sides of the Iron Curtain.

What splendid faith in the efficacy of moral force this American soldier has! It is a faith that good will can conquer all. It is a faith that constant reiteration of a sincere purpose must inevitably leave its imprint on those to whom the appeals for peace are addressed.

Human love is the great remedy which heals misunderstandings between individuals. Good will and expressions of a deep desire to find a way to live at peace with other countries are also the means of diffusing the spirit of brotherhood among nations. It is this spirit that must motivate peoples and their governments if they are to avoid the organized murders which are the essence of war.

From time immemorial, men have prayed for peace and spoken to each other in terms of peaceful intent. But the many wars in history have proved how often distrust is the forerunner of inevitable conflict.

In a dramatic effort to remove distrust, the American President had proclaimed an old faith with an earnestness that even the stern personalities of the other side were inclined to concede was genuine, as they became convinced it was direct from a great heart.

For here was a man whose life had been spent in preparation for war or in the highest command post of war. He had traveled thousands of miles to say face to face to men regarded as our enemies that the American people have no hate in their hearts for any nation and plan no war of attack on anybody. Others had expressed it but somehow, when he said it in person, it carried conviction.

The echoes of that appeal now have died down. The maneuvers of the "cold war" are intensified by the opportunists. They refuse to give up a chance to make gains in the Middle East and North Africa, even at the expense of a broken harmony that was once called "the Geneva spirit."

It was idle, of course, to expect that a single conference or a single appeal would transform men of evil into men of virtue. But behind the rulers of any totalitarian regime are the peoples to whom the words of the American President did penetrate. This particularly personal form of communication is temporarily halted —no longer is there heard the tones and words of a powerful voice. As a single heart lost its strength, so has America's appeal seemed to lose its strength.

And what of the voices heard contemporaneously inside our own land? The voices have been mostly those of ambition and of the party cliques, busily seeking advantage in the headlines.

How unfortunate that the spirit of a great heart was not able also to imbue the partisans in his own country with the good will that could subordinate the political bickering which, they must know full well, weakens our voice in the councils of the world.

The faltering of a single heart does not mean that the heart of a great nation must also falter. For the cause that America upholds is greater than any man. May even the partisans be forgiven their sins—for they know not what they do.

It is a time for the heart of America to be revealed. It is a time to speak with one accord to the other peoples of the world and to tell them that the American people—no matter who is chosen as a successor in the Presidency—expect to continue to seek peace in the self-same spirit of human love so simply expressed by Dwight Eisenhower.

"*National* Accounting Machines save us $75,000 a year . . . return 100% of investment annually."

—SUN OIL COMPANY, "Pioneering in petroleum progress for 70 years"

"National Accounting Machines save us $75,000 a year. Considering our total investment of $75,050, we enjoy an annual return in savings of 100%.

"Our accounting is highly centralized. For example, while our operations cover both the United States and Canada, the control of our payroll is centered in Philadelphia. This one office organizes all the varying, widespread payroll information.

"We particularly like the original-print earnings record which provides analyzed detail for each of our 17,000 employees. Also important to us is the fact that it requires no 'middle-man' accounting for various deductions, statements for tax reports, savings bond detail and control, stock purchase records and insurance controls.

"Personnel taken from our own ranks is easily trained to produce prompt, accurate accounting records which permit us to maintain an efficient operation at all times."

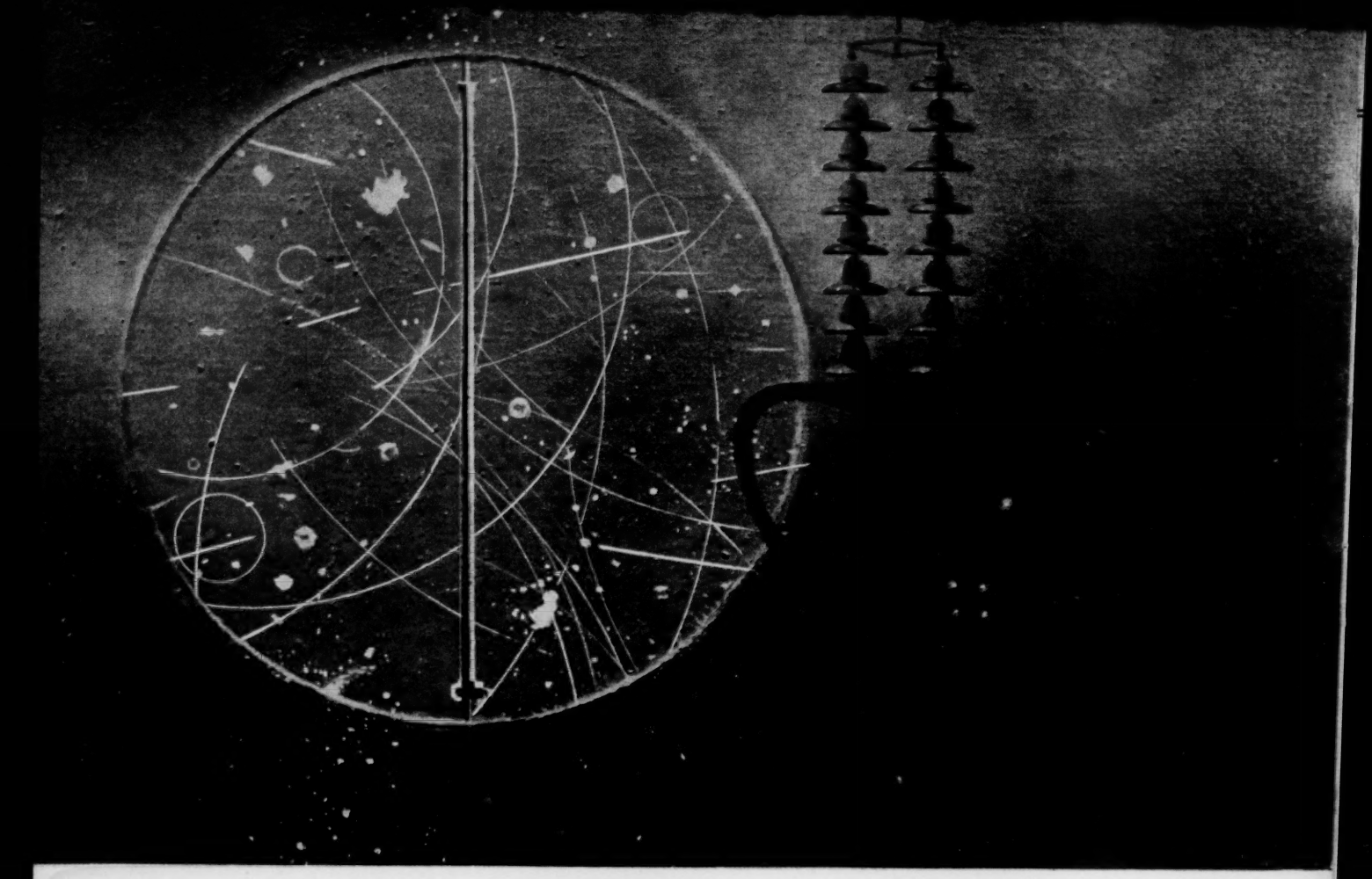
Donald P. Jones
Comptroller

In your business, too, National machines will pay for themselves with the money they save, then continue savings as annual profit. Your nearby National man will gladly show how much you can save—and why your operators will be happier. (See yellow pages of your phone book, or write to National, Dayton 9, Ohio.)

THE NATIONAL CASH REGISTER COMPANY, DAYTON 9, OHIO

977 OFFICES IN 94 COUNTRIES

National



Atom now working wonders for industry

To help bring bigger miracles closer, businessmen turn to banks

New industrial uses for atomic energy are being developed almost every day. Atomic by-products are already busy measuring engine wear in auto plants, finding flaws in castings, and gauging the thickness of everything from paper to steel. The atom also acts as a quality control in oil refineries, a tracer in chemical plants, and a trigger for chemical reactions. In hospitals it diagnoses and treats cancer, heart trouble, and thyroid disorders.

American industry plans to spend $300,000,000 on atomic research within the next four years. At this moment public utilities are preparing to use atomic fuels to generate electric power. It's predicted that at least 10% of all our power will come from atomic energy by 1975.

Scores of other industrial firms are planning to build or operate reactors and use their by-products to speed up progress in atomic applications. Atomic fuels for ships, aircraft, and other industrial uses, and food and drug sterilization with radiation instead of heat are among the most promising developments for the near future.

Businessmen interested in developing industrial uses of the atom can get help from First National City *bankers*. To keep ourselves and our customers up to date on the practical aspects of atomic research, we have engaged Arthur D. Little, Inc., one of America's top industrial research and consulting laboratories.

The Bank has helped finance every important source of energy America has known . . . from the water wheel to great gas and electric systems, from steam engines to internal-combustion and rocket motors. This day-by-day participation in our country's progress permits us to appraise the future through eyes that have seen almost 150 years of industrial growth . . . to combine a healthy respect for reality with unlimited vision.

If you need the services of a commercial bank, whether your business interests lie with the atom or with something more conventional, consult First National City's *bankers*.

The **FIRST**
NATIONAL CITY BANK
of New York
First in World Wide Banking
Member Federal Deposit Insurance Corporation